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BUDGET VIEWS AND ESTIMATES FOR FISCAL YEAR 1988

A REPORT

SUBMITTED TO THE

BUDGET COMMITTEE

(Pursuant to section 301(c) of Public Law 93-344)

PREPARED BY THE

SELECT COMMITTEE ON INDIAN AFFAIRS

UNITED STATES SENATE

FEBRUARY 1987

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LETTER OF TRANSMITTAL

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
February 25, 1987.

Hon. LAWTON CHILES, *Chairman*
Hon. PETE V. DOMENICI, *Ranking Minority Member,*
Committee on the Budget,
Washington, DC.

DEAR CHAIRMAN CHILES AND SENATOR DOMENICI: In accordance with the provisions of section 301(c) of Public Law 93-344, we are enclosing the report of the Select Committee on Indian Affairs on administration budget requests for Indian programs for fiscal year 1988.

The recommendations the Select Committee on Indian Affairs is making in this report are for those programs over which the committee has authorizing jurisdiction. These include: Bureau of Indian Affairs, Indian Health Service, title IV of the Indian Education Act administered by the Department of Education, and the Administration for Native Americans in the Department of Health and Human Services.

This committee also has oversight responsibility over the Indian housing programs administered by the Department of Housing and Urban Development and the Office of Native American Programs within the Department of Labor. Although the budgets for these programs are reported on by other Senate committees, the Select Committee on Indian Affairs has examined the fiscal year 1988 budget for those programs and this report contains certain recommendations regarding the administration's fiscal year 1988 proposals.

On February 19, 1987, the Select Committee on Indian Affairs conducted a hearing on the administration's fiscal year 1988 proposed budget and at this hearing it was determined that the administration is requesting the following:

BIA.—BIA is requesting $984,988,000 as compared to the fiscal year 1987 appropriation to date of $1,019,835,000, which involves a decrease of $33,847,000. The Select Committee on Indian Affairs recommends a budget for fiscal year 1988 of $1,084,212,000 which reflects an increase of $64,377,000 over fiscal year 1987.

IHS.—IHS administration's budget request for fiscal year 1988 is $796,835,000, as compared to the fiscal year 1987 appropriation of $929,064,000, for a difference of $138,299,000. The select committee's recommendation for the IHS fiscal year 1988 budget is $997,620,000, which is a total of $68,556,000 over

1987 and includes a 3-percent increase based on a disproportionate increase in the cost of health care services which has impacted the national economy in general.

DOE.—Title IV of the Indian Education Act budget request for fiscal year 1988 is $64,036,000. The select committee's recommendation is $67,384,000.

ANA.—ANA's budget has folded into a $2.2 billion generic appropriation for all social service services administered by the Office of Human Development Services. The committee could not determine at the hearing on what basis the ANA funding level would be established under this proposal. Consequently, the committee recommends that ANA funds be earmarked out of this generic appropriation in the amount of $29,989,000, an increase of $1 million over the fiscal year 1987 appropriation of $28,989,000.

We have provided in this report a more detailed program-by-program analysis for each agency budget over which the committee exercises jurisdiction. In each instance, justification is provided for the committee's recommended funding level.

We have also discussed in our report nonbudgetary policy initiatives which are described principally in the administration's BIA budget justification statement. With respect to the policy initiatives which are discussed infra, we believe it is important to note that they are all opposed by representatives of the Indian tribes and/or organizations and the common thread of this opposition is the lack of consultation on the part of the administration prior to initiating these proposals. This Government's responsibility to Indian tribes and people is based on long standing, well established policies derived from the unique constitutional status of Indian tribes as implemented in numerous treaty agreements, acts of Congress, and Executive decisions. In 1934, the Congress mandated consultation with Indian tribes in section 476 of the Indian Reorganization Act (25 U.S.C.), prior to the submittal of budget proposals to the Congress. Moreover, in his 1983 policy statement, President Reagan made a solemn commitment to consult with the Indian tribes based on the Government-to-Government relationship between Indian tribes and the Federal Government. We would note that the Congress is deprived of the benefit of the input of the tribes on these proposals in the absence of consultation.

Before concluding, we would like to bring particular attention to the administration's proposal for Indian Health Service funding. The extraordinary reduction in funding levels proposed by the administration in direct health care services, health care facilities, and contract health care services is simply astounding and cannot be tolerated. Accordingly, the committee has recommended an appropriate level of funding and urges prompt action by the Congress in this matter.

DANIEL K. INOUYE,
Chairman.
DANIEL J. EVANS,
Vice Chairman.

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INTRODUCTION

The Select Committee on Indian Affairs is the authorizing Committee for program operations of the Bureau of Indian Affairs (BIA) in the Department of the Interior, Indian Health Service (IHS) and Administration for Native Americans (ANA), in the Department of Health and Human Services (HHS), and the Office of Indian Education (OIE) in the Department of Education. In addition, the Committee has oversight responsibility for operation of programs in other agencies affecting Indians, including the Indian Housing program of HUD.

Specifically, Senate Resolution 4, the Committee System Reorganization Amendments, charges the Select Committee as follows:

> It shall be the duty of the Select Committee to conduct a study of any and all matters pertaining to problems and opportunities of Indians, including but not limited to, Indian land management and trust responsibilities, Indian education, health, special services, and loan programs, and Indian claims against the United States.
>
> The Select Committee shall from time to time report to the Senate, by bill or otherwise, its recommendations with respect to matters referred to the Select Committee or otherwise within its jurisdiction.

In furtherance of this responsibility, the Select Committee on February 19, 1987, held oversight hearings on fiscal year 1988 budget submissions of the BIA, IHS, ANA, HUD, and the Departments of Education, Labor and Commerce.

The programs administered by the BIA, IHS, ANA, HUD, and the Office of Indian Education, as well as those of other Federal agencies with Indian programs are of an extremely broad scope, literally spanning the breadth of Federal, State, and local governments, but with the addition of protection and management of trust resources of Indian people and Indian tribes to which the United States has a trust responsibility.

The Federal budget, as it relates to Indian programs, must be considered in the context of the unique relationship that the United States maintains with the Indian tribes and the Alaska Native communities.

Federal policy has long recognized that Indian tribes within the boundaries of the United States are "domestic, dependent nations." As such, the Supreme Court has held that the tribes have surrendered only those powers of sovereignty which are inconsistent with their dependent status. All other governmental powers still remain. As a result, Indian tribes are not political subdivisions of the States nor are they local governments within the meaning of most State and Federal statutes. Rather, the tribes and the United States exercise a direct government-to-government relationship with one another.

In 1934, in furtherance of this policy, Congress enacted the Indian Reorganization Act (Act of June 18, 1934; 25 U.S.C. 461 et seq.) setting forth a new policy toward the Indian tribes and providing, among other things, for the political reorganization of the tribes in accordance with the terms of that Act if the tribes so chose. In 1936, the provisions of this Act were extended to the Territory of Alaska (Act of May 1, 1936, 25 U.S.C. 473a) and a separate Act with similar provisions pertaining to tribes in Oklahoma was enacted (Act June 26, 1936; 25 U.S.C. 501 et seq.).

In contrast with this Federal relationship, the historical relationship of Indian tribes and the States has been one of separation. Tribes are not political subdivisions of States and thus often do not receive funding assistance from State governments. In addition, in the absence of specific legislative directives, Federal pass-through moneys allocated to States all too frequently are not passed through to the tribe. In examining Federal budget allocations or reductions in Indian programs, it is thus necessary to consider that (1) tribes do not generally receive supplemental funding from State governments on the same basis as county and municipal governments; (2) that tribes for the most part do not have other sources for raising revenues that State or local governments enjoy; and, (3) that there is a direct government-to-government relationship between the United States and the Indian tribes. Thus, when Federal moneys for Indian programs are reduced or eliminated there is no replacement source to which the tribes can look.

A counterpart to the government-to-government relationship of the United States with the Indian tribes is the trust relationship and the obligations this imposes on the United States not only with respect to protection of trust resources but in assuring delivery of services to the Indian people at least commensurate with that delivered to our non-Indian citizens. At the reservation level, this obligation is obvious. While it is less obvious, it is just as real for off-reservation programs. During the decade of the 1970's, Congress, in a number of Acts, specifically recognized the needs of Indians living in urban and rural off-reservation areas. Thus, an Indian component was included in the Comprehensive Employment and Training Act (CETA) enacted in 1973; and is now carried forward as the Job Partnership Training Act; education benefits were extended to off-reservation Indians through the Indian Education Act of 1972; health programs consisting principally of outreach and referral but also of some direct care services were extended to off-reservation Indians through enactment of the Indian Health Care Improvement Act of 1976; and authorization of funding for Indian child welfare programs was provided with enactment of the Indian Child Welfare Act of 1978. Beginning in the 1960's, the Administration for Native American Programs within HHS continues service to Alaskan Natives, Hawaiians, and American Indians both on and off reservations. Each of these programs was enacted after extensive hearings and on the basis of ascertained need of the service population which was not being met by State or local governments.

This budget report is provided in two parts: Part I provides in table form the Committee's recommendations for the next 5 year period for the major program categories; Part II is more detailed and provides both table format and text discussion of the fiscal year 1988 budget recommendations.

TABLE 1.—BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1988 BUDGET REQUEST

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation 1988	1989	1990	1991	1992
Education (subfunction 501):								
School operations	190,871	193,851	189,811	199,837	201,945	204,080	206,235	208,409
Johnson O'Malley	22,750	20,351	20,351	29,655	29,968	30,285	30,605	30,928
Continuing education	58,559	26,911	25,869	65,683	66,376	67,078	67,786	68,500
Subtotal	272,180	241,113	236,031	295,175	298,289	301,443	304,626	307,837
Indian services (subfunction 452):								
Tribal government services	32,429	6,770	5,692	6,692	6,926	7,181	7,421	7,662
Social services	111,601	89,969	90,516	97,775	101,197	104,913	108,432	111,952
Law enforcement	53,413	7,438	3,177	3,177	6,777	7,014	7,272	7,760
Self-determination services	21,624	45,618	50,682	52,615	54,456	56,456	58,350	60,244
Employment assistance	0	2,225	2,436	2,634	2,726	2,826	2,921	3,016
Tribe/agency operations	0	150,052	146,901	123,753	128,084	132,787	127,242	141,697
Subtotal	219,067	302,072	299,404	290,246	300,403	311,435	321,882	332,331
Navajo-Hopi settlement (subfunction 452):								
Subtotal	2,431	2,402	1,971	2,402	2,488	1,244	0	0
Economic development/ employment (subfunction 452):								
Employment development	26,182	0	0	0	0	0	0	0
Business enterprise development	14,296	10,792	13,146	14,296	15,411	16,068	16,740	17,455
Road maintenance	23,157	267	767	500	539	562	585	610
Tribe/agency operations	0	27,061	25,797	25,157	27,119	28,276	29,458	30,716
Subtotal	63,635	38,120	39,710	39,953	43,069	44,906	46,783	48,781
Natural resources development (subfunction 302):								
Natural resources, general	2,630	2,568	3,443	3,443	3,711	3,869	4,031	4,203
Agriculture	22,820	23,976	24,210	24,210	26,098	27,212	28,349	29,560
Forestry	33,504	33,864	22,322	33,864	36,505	38,063	39,654	41,347
Water resources	11,012	3,375	1,734	3,967	4,276	4,459	4,654	4,843
Wildlife and parks	29,582	27,143	26,506	35,825	38,619	40,267	41,951	43,742
Minerals and mining	10,259	10,228	8,476	10,214	11,010	11,480	11,960	12,471
Irrigation	7,587	7,618	7,618	7,618	8,212	8,056	8,920	9,300
Subtotal	117,394	108,772	94,309	119,141	128,431	133,406	139,519	145,466
Trust responsibilities (subfunction 452):								
Indian rights protection	17,815	25,286	23,098	24,748	26,678	27,816	28,979	30,217
Real estate and financial services	32,312	33,409	40,242	40,242	43,380	45,232	47,123	49,135
Subtotal	50,127	58,695	63,340	64,990	70,058	73,048	76,102	79,352

TABLE 1.—BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1988 BUDGET REQUEST—Continued

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation 1988	1989	1990	1991	1992
Facilities management (subfunction 452):								
Subtotal	89,845	87,797	80,907	89,133	96,085	100,185	104,374	108,831
General administration (subfunction 451):								
Subtotal	81,503	89,375	94,509	94,509	101,880	106,228	110,670	115,395
Construction (subfunction 452):								
Subtotal	88,601	4,981	57,894	88,663	95,578	99,657	103,824	108,257
Road construction (subfunction 452):								
Subtotal	0	0	0	0	0	0	0	0
Total	984,783	933,327	968,075	1,084,212	1,136,281	1,171,552	1,207,780	1,246,250

TABLE 2.—INDIAN HEALTH SERVICE

[In thousands of dollars; fiscal years]

	Baseline 1987	Administration request 1988	SCIA recommendation 1988	1989	1990	1991	1992
Clinical services (subfunction 551):							
Hospital and health clinic	479,767	461,142	[1] 519,278	536,933	556,799	575,730	593,001
			[2] 534,856	553,041	573,504	591,282	609,020
Dental services	25,849	26,684	[1] 27,898	28,847	29,914	30,841	31,766
			[2] 29,572	30,577	31,709	32,692	33,672
Mental health	11,362	11,738	[1] 12,174	12,588	13,054	13,458	13,862
			[2] 12,539	12,966	13,445	13,862	14,278
Alcoholism	27,705	26,414	[1] 29,175	30,167	31,283	32,253	34,188
			[2] 30,050	31,072	32,222	33,220	34,217
Maintenance and repair	9,025	9,025	[1] 9,359	[3] 9,687	[3] 9,977	[3] 10,276	[3] 10,585
Contract care	183,713	146,090	[1] 193,482	200,060	207,463	213,894	220,311
			[2] 199,286	206,062	213,687	220,311	226,920
Subtotal	737,421	681,093	[1] 791,366	818,282	848,490	876,452	903,713
			[4] 815,662	843,405	874,544	901,643	928,692
Preventive health (subfunction 551):							
Sanitation	22,307	23,307	[1] 23,676	24,481	25,387	26,174	26,959
Public health nursing	12,887	13,659	[1] 13,903	14,376	14,908	15,370	15,831
Health education	3,883	4,008	[1] 4,151	4,292	4,451	4,589	4,727
Community health representative	26,000	24,191	[5] 27,282	28,210	29,253	30,160	31,065
Hepatitis B	395	395	[1] 416	430	446	460	474
Subtotal	65,472	65,560	[1] 69,428	71,789	74,445	76,753	79,056
Urban health (551)	9,000	8,000	[5] 9,524	9,744	10,105	10,418	10,731
Indian health manpower (551)	7,018	4,646	[6] 7,244	7,320	7,398	7,476	7,556
Tribal management (551)	2,688	749	[1] 2,829	2,925	3,033	3,127	3,221
Direct operations (551)	36,410	34,337	[1] 39,781	41,134	42,655	43,978	45,297
Subtotal	858,009	794,385	[1] 920,172	951,194	986,126	1,018,204	1,049,574
			[4] 944,468	976,317	1,012,180	1,043,395	1,074,553

TABLE 2.—INDIAN HEALTH SERVICE—Continued

(In thousands of dollars, fiscal years)

	Baseline 1987	Administration request 1988	SCIA recommendation 1988	1989	1990	1991	1992
Indian health facilities	71,055	2,450	[7] 53,152	[8] 37,000	37,000	37,000	37,000
Total	929,064	796,835	[1] 973,124	988,194	1,023,176	1,055,204	1,086,574
			[8] 997,620	1,013,317	1,049,180	1,080,395	1,111,553

[1] Amount necessary to maintain services at current level as estimated by the Department of Health and Human Services.

[2] Represents a 3-percent increase over current services level, based upon the gross national product implicit price deflator as set forth on pp. 2-4, "Budget of the United States, Fiscal Year 1988."

[3] Represents a 3-percent increase in outyears based upon the gross national product implicit price deflator as set forth on pp. 2-4, "Budget of the United States, Fiscal Year 1988," in order to maintain fiscal year 1987 level of purchasing power.

[4] Represents the 3-percent increase over current services for direct health care services (footnote 1), and the 3-percent increase in outyears for maintenance and repair to maintain fiscal year 1987 level of purchasing power.

[5] Premised upon congressional denial of proposed appropriation transfers, the recommended funding level represents the amount necessary to maintain services at the fiscal year 1987 level of program effort as estimated by the Department of Health and Human Services.

[6] Amount necessary to maintain services at the fiscal year 1987 level of program effort, and denial of administration proposal to allow no new starts in Indian Health Service health professions scholarship program.

[7] Premised upon congressional denial of proposed appropriation transfer, congressional denial of proposed rescission request, funding is recommended for hospital construction at Pine Ridge, SD ($11,201,000); Fort Belknap, MT ($8,838,000); Fort Defiance, AZ ($7,204,000); Crow, MT ($860,000); for outpatient facility construction at Toppenish, WA ($7,884,000); Parker, AZ ($400,000); Salmon, OR ($231,000); Belcourt, ND ($1,142,000); Puyallup, WA ($392,000); and for the provision of water and sanitation facilities to 2,500 units of Indian homes ($20,000,000).

[8] Represents $17,000,000 for the provision of water and sanitation facilities to approximately 2,000 Indian homes in the outyears, and $20,000,000 per year for the construction of IHS hospitals and clinics, outpatient care facilities, personnel quarters, and the modernization and repair of existing IHS facilities.

TABLE 3.—DEPARTMENT OF EDUCATION, TITLE IV, INDIAN EDUCATION ACT

(In thousands of dollars, fiscal years)

	Baseline 1987	Administration 1988 request	SCIA recommendation 1988	1989	1990	1991	1992
Part A	47,200	47,200	49,607	52,335	55,318	58,416	61,570
Part B	11,568	11,568	12,158	12,827	13,558	14,317	15,090
Part C	3,000	3,000	3,153	3,326	3,516	3,713	3,914
Part D	2,268	[1] 2,466	2,466	2,602	2,750	2,904	3,061
Total	64,036	[1] 64,234	67,384	71,090	75,142	79,350	83,635

[1] 198,000 increase in Part D reflects fixed cost pay increases and a small increase in travel for audit and technical assistance purposes.

Bureau of Indian Affairs, Department of the Interior

The Bureau of Indian Affairs (BIA) was created in the War Department in 1824 and in 1849 was transferred to the Department of the Interior. The history of the relationship between Indian tribes and the U.S. Government reveals that the mission of the BIA was founded on a government-to-government relationship and the trust responsibility. The Bureau, therefore, as an agent of the U.S. Government, recognizes a fundamental responsibility to American Indian tribes, Alaska Native groups, and the tribal form of government. The Bureau's mission is presently viewed as three-fold: (1) to recognize and preserve the inherent rights of tribal self-government, to strengthen tribal capacity for self-government, and to provide resources for tribal government programs; (2) to protect the rights of Indian people in dealing with other governmental entities and the private sector; and (3) to fulfill and execute the Federal Government's responsibility for trust resources and property.

Programs administered by the Bureau of Indian Affairs are extremely broad in scope. The two largest programs, education and social services, account for approximately 33 percent of the BIA budget request for fiscal year 1988. Education alone accounts for nearly 24 percent of the budget. This does not include requests for construction of facility improvement and repair of schools and related structures.

In addition to these programs, the BIA is responsible for management and protection of natural resources of individual Indians and the tribes, such as: forestry, agricultural lands, minerals and mining, fisheries and irrigation and power; maintenance of over 26,000 miles of paved and unpaved roads within the reservations; provision of law enforcement services and support of tribal courts; management of Indian trust funds totalling approximately $1.7 billion; provision of technical assistance and core support to tribes to enable the tribes to contract for and administer Federal programs; and provision of funds either through loans or grants to stimulate economic development on the reservations.

The Synder Act of 1921 (42 Stat. 208; 25 U.S.C. 13) provided substantive authority for appropriations covering the activities of the Bureau of Indian Affairs. The scope and character of the authorizations contained in this Act were broadened by the Indian Reorganization Act of 1934 (48 Stat. 948; 25 U.S.C. 461 et seq.); by the Indian Self-Determination and Education Assistance Act of 1975 (188 Stat. 2203; 25 U.S.C. 450); by amendments to Title XI of the Elementary and Secondary Education Amendments Act of 1978 (Public Law 95-561); by the Indian Child Welfare Act of 1978 (Public Law 95-608); and by the Tribally Controlled Community College Assistance Act of 1978 (Public Law 95-471, as amended).

The BIA budget justification discusses new "Federal Funds" for which an appropriation is sought, and expenditures of trust funds of Indians and Indian tribes including income derived therefrom.

In fiscal year 1987 in the "Federal Funds" category, $1,019,835,000 was appropriated. For "Permanent and Trust Funds", (i.e., Indian trust funds and other receipts) the fiscal year 1987 authorization for expenditure was $454,206,000 and of this sum $393,310,000 was for Indian trust funds.

The breakout is similar for the fiscal year 1988 request: $984,988,000 for new appropriations of "Federal Funds" and $459,002,000 for "Permanent and Trust Funds" of which ($398,070,000) is Indian trust money. Consequently, although the total appropriation request approximates $1.5 billion, about one-third of this sum is Indian owned trust money or permanently appropriated miscellaneous receipts requiring no new budget authority. The fiscal year 1988 reduction from fiscal year 1987 in the BIA budget amounting to approximately $35 million, includes primarily $7,500,000 in timber management, $20 million in construction, $2 million in contract support and $1 million in vocational education.

The budget justification for the Bureau of Indian Affairs in the Department of the Interior is divided into four major categories: (1) *Operation of Indian Programs*, which includes most of the program activities of the BIA; (2) *Construction*, which includes maintenance and repair of existing facilities and new construction of schools, irrigation projects and housing; (3) *Road Construction*, which in-

cludes both road maintenance and construction of new roads; and (4) *Miscellaneous separate accounts* authorizing expenditures for specific tribes or projects not within the Operation of Indian Programs.

Operation of Indian Programs covers eight major subject areas or budget activities as follows: *Education; Indian Services; Navajo/Hopi Settlement Program; Economic Development; Natural Resources Development; Trust Responsibilities; Facilities Management;* and *General Administration.* A ninth major category separately displayed is *Construction.* A summary analysis of the funding sought for each of these activities follows this introduction.

Comparing funding requests for fiscal year 1988 with actual fiscal year 1987 appropriated levels for activities or subactivities listed is difficult because the budget justification does not display the fiscal year 1988 request in the same fashion in which the funds were appropriated in fiscal year 1987. In fiscal year 1987 each program or activity was funded at a lump sum level, regardless of whether the funds were allocated to the Central or Area Office or were allocated to the Tribe/Agency level. *In the fiscal year 1988 budget justification, funding requests are made separately for each program at the Central and Area Office level, and at the Tribe/Agency level, appearing in the justification many pages apart from each other.* In addition, funds for support of tribal contracts under Public Law 93-638 were included in each program appropriation in fiscal year 1987. In fiscal year 1988 funding for contract support is being separately requested and no distribution for the fiscal year 1988 funds is displayed, thus making it difficult to determine if the funding level for any one program for fiscal year 1988 is greater or less than that appropriated in fiscal year 1987. The extent to which this affects analysis of any one subactivity is reflected by the fact that contract support funds in the amount of $34,245,000 are taken from 20 separate budget activities, at both the Central and Area Office level and the Tribe/Agency level. Finally, the fiscal year 1988 budget justification proposes internal transfers of 16 activities from the program or activity in which they appeared in the fiscal year 1987 Appropriation Act.

Aside from funding levels, in fiscal year 1988 the BIA proposes a number of new initiatives affecting various program activities. Pages 4-6 of the BIA budget justification for fiscal year 1988 set forth highlights of the budget request. These highlights set forth in capsule form the new policy initiatives BIA anticipates for fiscal year 1988. The following is an analysis of these highlights.

1. *Transfer of BIA schools*

BIA proposes a major policy initiative in fiscal year 1988 to begin a concerted effort to gradually turn over operation of remaining Federal Indian schools to tribal operation through Public Law 93-638 contracts or, in the event tribes decline to contract for school operations, then to turn over responsibility for education of Indian children currently served in BIA schools to State public school systems. The Committee opposes this initiative and recommends that restrictions be placed on the expenditure of BIA funds to transfer these schools to the States until there has been a sufficient level of consultation. A more detailed analysis of this proposal by the Committee and the reasons for the Committee's position is contained

under the BIA section of this report. (See BIA Ed infra for analysis of the initiative)

2. *Establish a "Workfare" Program*

BIA intends to institute a new policy with regard to General Assistance that will require persons receiving such assistance to enter into a job training program or participate in work activities on different programs. Programs targeted for such participation are Housing Improvement, Adult Education, and Employment Assistance programs. BIA notes that unlike the AFDC programs administered by States that limit assistance to families with children and only one parent in the home, BIA General Assistance also serves single adults, childless couples, and families with both parents in the home. While this service population is broader than AFDC, it is not clear what relevance this has to a new "workfare" initiative. In light of the fact that there is no authorizing legislation for this program the Committee recommends that a sufficient period of time be allowed to test this policy through pilot projects initiated with the full cooperation of those tribes who desire to participate in such pilot projects. Consequently, the Committee has recommended that the employment assistance and other funds be retained at the present funding levels and within the same budget categories as they were in fiscal year 1987.

3. *Institute a "Flat" 15 Percent Administrative Fee for Tribal Contracts*

In fiscal year 1988 BIA proposes to institute a flat administrative fee to cover indirect costs associated with tribal contracting under Public Law 93-638. BIA recognizes that this flat rate will not be adequate to serve smaller tribes and thus proposes to provide additional support for these smaller tribes. The Committee opposes this initiative based on evidence which has been presented to the Committee. This evidence tends to show quite pursuasively that a flat fee is simply not workable to cover the broad range of contracts which would be affected and does not take into account cost differences from one region to another. We are convinced that this would be detrimental to the progress that has been made in implementing self-determination policies.

4. *Resource Allocation Study*

BIA also intends to initiate a "resources allocation/effectiveness" study to provide an assessment of available resources and a productivity analysis of on-going programs. It appears that the purpose of this study is to provide a means for determining whether Federal funding is currently being allocated equitably among the tribes. The Committee recommends that the BIA expand this study in order to conduct a reliable needs assessment and in order to determine whether the funding resources represented in the various programs which will be studied are adequate to fulfill the Government's trust responsibility.

5. *Small Tribes Initiative*

BIA proposes to provide tribes additional means to maintain viable governments. This appears to be a "small tribes" initiative. (See 3 above). This initiative will take the form of providing greater financial support to enable such tribes to perform essential governmental functions, and provision of "specialized" technical assistance to tribes threatened by critical conditions of indebtedness and

related financial problems. To accomplish this initiative BIA is seeking $6.8 million—an increase of $4 million over the small tribes program funded in fiscal year 1987. This initiative is coupled with the proposal to eliminate self-determination grants funded in fiscal year 1987 at $7,761,000. The Committee strongly opposes elimination of the Section 104A self-determination grants as part of a small tribes initiative.

6. *Trust Funds Contract*

BIA seeks $2.2 million for BIA's management of tribal trust funds. This is the initiative of contracting out the collection, accounting and investment of tribal and other Indian trust funds. Based on the input received during the Committee's budget hearing, we expect BIA will stand by its commitment to consult with tribes prior to implementing this contract by providing them an adequate time to comment on the draft contract before it is executed.

7. *Timber Management*

The fiscal year 1988 budget proposes a reduction of $7.5 million in funding for the timber sales program. BIA proposes to take $5 million of timber sales fees that are presently made available to tribes with timber resources for reforestation or forest improvement, and to use this money to offset BIA's costs in administering the timber sales program. They also propose a decrease of $3.2 million to defer "postponable" forest development work.

While this proposal may not directly conflict with governing law (25 U.S.C. 413) which authorizes the Secretary to collect "reasonable fees", it is a sharp departure from past administrative practice of the Department of Interior under which fees that are collected from timber sales are placed in a special holding account established for such fees for each reservation. These fees (or administrative deductions from the timber sale) are credited to the tribal accounts to the extent of tribal obligations incurred in reforestation or other forest improvement activity. The BIA proposal simply would permit BIA to now use these funds to defer BIA's costs incurred in administering the timber sales and would deny tribes the use of these funds to undertake activities benefical to their own forests. Consequently, the Committee strongly opposes this proposal for reasons which are more specifically disqussed under this Natural Resources section of the budget report.

8. *Consolidated Tribal Government Programs—Reprogramming Authority*

BIA proposes to establish a new, separate budget activity under Tribe/Agency Operations which would lump similar or complementary programs or subactivities where tribes could propose program aggregations such as the "currently used" Consolidated Tribal Government Programs (CTGP). (See 29–30). BIA sees potential savings in overhead or indirect costs through reduction in the number of program directors at the tribal level. The initiative may also relate to BIA's request for an increase in their authority to reprogram funds without first seeking Congressional approval. (See page 29).

9. *Information (ADP) Services*

Two new initiatives that have an impact on ADP services are development of the Geographic Information System (GIS) and devel-

opment of the Indian Integrated Resources Information Program (IIRIP). (See page 142).

10. *Rescissions*

The highlights discuss funding for various construction projects. The most important part here is the discussion of proposed recissions. The proposed recissions of $22.8 million all come from construction funds appropriated in fiscal year 1987 as follows:

$7.5 million to construct Juvenile Detention Centers appropriated under the Omnibus Drug Supplemental Appropriations Act of 1987.

$603 million for Housing Improvement, thus reducing the fiscal year 1987 funding level to $16.3 million. This reduction was proposed by BIA in its fiscal year 1987 budget request on the premise that no funds would be used to build any new housing.

$9 million for irrigation construction for Navajo Indian Irrigation Project, the Gila River Farms/Sacaton Ranch Irrigation Project, and the Fort McDowell Irrigation Rehabilitation Project.

The Committee opposes these proposed recissions.

11. *Phoenix Indian School*

Legislative language proposed by the BIA would delete language for the fiscal year 1987 Appropriations Act relating to the proposed closure and disposition of the Phoenix Indian School. The Committee opposes this proposal and has recommended continuing funding under our discussion of the BIA Education functions.

12. *Tribe/Agency Operations*

BIA proposes a new budget format which would separate funding from each subactivity which has been earmarked for distribution to tribes, Agencies, and Area Office field activities, and would consolidate those funds into one Tribe/Agency Operations subactivity under Indian Services, Economic Development, Natural Resources, Trust Responsibilities, and General Administration. Although the BIA has given various reasons for this format, including administrative flexibility, the Committee is unable to discern any clear purpose for the format. The Committee is unable to consistently track the shift of funds from the fiscal year 1987 format to the proposed fiscal year 1988 format. Therefore, the Committee does not support the Tribe/Agency Operations budget. Although the Committee does not support the Tribe/Agency format, the BIA budget is displayed in this report using that format to facilitate comparisons between the BIA budget justification and Committee recommendations.

ACTIVITY: Education

[In thousands of dollars; fiscal years]

Subactivity	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
School operations	190,871	193,851	189,811	199,837
Johnson-O'Malley	22,750	20,351	20,351	29,655
Continuing education	58,559	26,911	25,869	65,683
Total	272,180	241,113	236,031	295,175

Bureau of Indian Affairs

EDUCATION

Of all Indian students within the BIA's service population, 82 percent attend public schools, 7 percent attend private and parochial schools, and the remaining 11 percent are educated in schools operated either by the BIA or by tribes under Public Law 93-638 contracts with the BIA. There are 103 BIA schools, 64 contract schools and 14 peripheral dorms which serve Indian children who attend public schools. The Indian School Equalization Program pays per student costs on a formula basis to all BIA and contracts. Thus, ISEP uses the bulk of the BIA education funds. The remainder of the education budget for BIA funds the Johnson-O'Malley program, adult education, higher education and scholarships.

Of the 39,990 students in BIA-funded schools operating in 23 States, about 54 percent are in the 57 BIA and contract boarding schools. According to the Bureau, they are in residence either because their families do not live within a 1 and ½-mile walk from a public or BIA school bus route, or because of special social or academic factors, including poverty, family problems, or difficulties encountered in public schools.

In its fiscal year 1988 budget request, the BIA has proposed to maintain level funding for the 103 schools it now operates (including 46 boarding schools) but to contract their operation to either tribes or public schools. The notion of contracting the operation of BIA schools to public schools has been poorly received in Indian country, particularly since it appears that the BIA is trying to coerce tribes to operate these schools by threatening to contract instead with local school districts if the tribes do not respond. Public Law 93-638 provides the contracting mechanism for tribes to operate education programs currently operated by the BIA. There is no provision for BIA contracts with local education agencies (LEAs). It is not clear to the Committee how the BIA intends to square the intent of the Public Law 93-638 with the notion of contracting with public schools.

Testimony received by the Committee from tribes, Indian education leaders, and Indian parents universally opposed the BIA's education initiatives. The reasons vary, but first and foremost is the undisputed fact that the decision was made without any consultation with tribal leaders and Indian educators. Since the decision was already made, the only input requested by the BIA from the Indian community was on the issue of how to implement the initiative. This is not the tribes' understanding of how consultation works, nor is it that of the Committee's. The Committee, therefore,

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strongly opposes any effort on the part of BIA to force tribes to contract to operate schools or to contract with public schools for the operation of BIA schools.

The ostensible reason for the initiative is that the BIA is "institutionally incapable" of providing quality education to Indian children. The statement ignores the fact that many Indian children have received, and, in fact, are receiving an excellent education in BIA schools. There is simply no data to support the assumption that quality education is lacking or impossible to attain in Bureau schools. If there is, it has not been presented to the Committee. The members of the Committee believe that one of the sovereign rights of any tribal government is the right to elect not assume operation of a BIA school. It is the Committee's position that should some tribes elect this option, they should not be forced to have their children educated in public schools. Unless and until there is data to support the assertion that *all* Indian children are better off in either public schools or in schools that are run by tribes, than the Committee is, and will remain, strongly opposed to the intitiative. The Committee is available to work with the BIA and with tribal leaders and educators to find ways to improve education for all Indian students, whether they attend BIA, contract, public, or private schools. The Committee strongly believes that the education of Indian children is an integral part of the Federal Government's trust responsibility to Indian tribes.

SUBACTIVITY: School operations

[In thousands of dollars; fiscal years]

Program elements	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
A. Indian School Equalization Program:				
Indian school equalization formula	153,857	163,174	162,309	164,889
Indian school program adjustments	1,116	1,116	1,116	1,128
B. Education standards	300	300	300	303
C. Institutionalized handicapped	1,428	1,428	1,428	1,551
D. School board expenses	723	723	723	731
Training fund	512	512	512	517
E. Student transportation	11,639	11,992	11,992	12,106
F. Solo Parent Program		108	108	[1]
G. Technical support agency and area offices	8,109	8,499	8,499	8,499
H. School operations:				
Contract support	7,188			[2]7,264
Education MIS	599	599	424	424
I. Substance abuse/alcohol education:				
Curriculum	3,000	3,000		
School counselors	2,400	2,400	2,400	2,425
Total	190,871	193,851	189,811	199,837

[1] The Committee believes the Solo Parent Program is a social services program and has recommended funding under that activity.
[2] The Committee recommends that distributed contract support funds continue to be distributed to separate program elements and therefore rejects the proposal to consolidate contract support funds into one line item in Self-Determination Services.

A. Indian School Equalization Program

Because the Committee disagrees that the fate of the Phoenix Indian School has been decided, the Committee recommends $164,889,000 for the Indian School Equalization Formula (ISEF) for fiscal year 1988. This figure is $1,715,000 more than the Adminis-

tration's request and was arrived at by restoring funding to the fiscal year 1988 base and then adding the Congressional Budget Office (CBO) education inflation factor. The Committee again recommends forward funding for ISEP.

The program adjustments account has been increased by the CBO inflator but the Committee notes with interest and approval the ongoing activity with respect to gifted and talented programs for Indian children in BIA funded schools. The Committee looks forward to working with the Administration to develop a stable and permanent program funding base for this purpose in future years.

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C. Institutionalized Handicapped

The Committee notes the budget justification estimate that 15 Indian children aged 5 to 21 will be placed in public and private institutions for the handicapped in fiscal year 1988, in addition to the 200 now served. The Committee therefore recommends a 7.5-percent increase in program funding, as well as an increase for inflation.

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H. School Operations Contract Support

The Committee recommends restoration of the contract support to this program account and adds an inflation amount.

SUBACTIVITY: Johnson-O'Malley educational assistance

[In thousands of dollars; fiscal years]

Program elements	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
JOM educational assistance	20,250	20,351	20,351	26,439
JOM contract support	2,500			[1] 3,216
Total	22,750	20,351	20,351	29,655

[1] The Committee recommends that distributed contract support funds continue to be distributed to separate program elements and therefore rejects the proposal to consolidate contract support funds into one line item in Self-Determination Services.

The Committee recommends an increase of $6,905,000 for Johnson-O'Malley funding for fiscal year 1988 over the fiscal year 1987 appropriations level. During the fiscal year 1986 appropriations process, Congress was given inaccurate information by the BIA concerning a projected "carry-over" of dollars to be available to the JOM program in fiscal year 1986. This carry-over was, in fact, mythical, but JOM nevertheless suffered a major funding decrease of $5,813,000 in fiscal year 1986. This funding was not restored in the fiscal year 1987 appropriation cycle despite the Committee's recommendation to the contrary. The Committee is again recommending for fiscal year 1988 that JOM be restored to the fiscal year 1985 level with a small increase for inflation.

SUBACTIVITY: Continuing education

[In thousands of dollars; fiscal years]

Program elements	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
A. Post-secondary schools	9,309	13,508	12,251	13,649
B. Special higher education scholarships	1,750	1,750	1,500	1,768
C. Tribally controlled community colleges:				
Operational grants	11,653	11,653	11,618	13,520
Endowment			500	500
Snyder Act	1,183			[1] 1,217
D. Higher education scholarships	31,168			[1] 31,496
E. Adult education	3,496			[1] 3,533
Totals	58,559	26,911	25,869	65,683

[1] The Committee rejects the proposal to transfer these education programs to Indian Services, Tribe/Agency Operations. Though these are banded programs, they properly belong in the education budget function.

A. Post-Secondary Schools

The Committee rejects the proposal to decrease funding for Haskell by $689,000, for the Institute of American Indian Arts by $204,000 and for the Southwest Indian Polytechnic Institute by $364,000. The Committee also rejects the Administration's proposal to require students at these three institutions to pay tuition. The Committee recommends funding for fiscal year 1988 at the base established by the BIA plus an inflation factor. The BIA base shows a $4,201,000 increase over the actual fiscal year 1987 appropriation. The increase represents the transfer of operation and maintenance (O&M) funds for the three schools from the facilities management account. The Committee has no objection to this transfer.

B. Special Higher Education Scholarships

The Committee rejects the request to decrease funding for special higher education scholarships by $250,000. The Committee notes that more participants may be expected in the program because of the Federal court ruling in *Zarr* v. *Barlow*, which extends eligibility to all students who are members of federally recognized tribes, regardless of their blood degree. The Committee opposes the reduction in average student grants from $7,000 to $6,000 because this proposal does not reflect the reality of increased college costs particularly at the professional schools of law, medicine, and engineering, to which the scholarships are targeted. The Committee recommends funding at the fiscal year 1987 level with an inflation factor.

C. Tribally Controlled Community College

The Bureau has requested $12,115 for fiscal year 1988, distributed as follows:

Title I grants	$7,689,000
Title II (NCC)	3,813,000
Technical Asst	116,000
Endowments	500,000

The Committee recommends funding of title I grants at $9 million for an increase of $1,311,000 over the Administration proposal to achieve a $3,000 per FTE funding level and also recommends an

increase for Navajo Community College (title II) of $450,000. In addition, the Committee rejects the proposal to transfer to Indian Services, Tribe Agency Operations, the Snyder Act funds ($1,217,000) used by the colleges from tribal contributions and recommends this money be restored to this subactivity. The added inflation factor brings the Committee's total funding recommendation for this program element to $15,237,000 or $2,401,000 over the fiscal year 1987 appropriation level. Tribal colleges have continued to lose ground over the past few years with respect to per pupil funding levels; they have gone from a high of $3,100 per FTE (full-time equivalent) in fiscal year 1981 to a low of $2,317 in fiscal year 1986, with a slight increase in fiscal year 1987 to $2,575 (due mostly to the closing of Ganado Community College). Estimates received by the Committee show that expected enrollment increases in fiscal year 1988 will reduce the FTE funding level to as low as $1,943 if the Administration's proposal is accepted.

D. Higher Education Scholarships

The Committee rejects the proposal to display this program under the Indian Services, Tribe/Agency Operations subactivity. It is an education program and clearly belongs in the 501 subfunction account. The Committee recommends last year's appropriated funding level with an inflation factor.

E. Adult Education

As with higher education scholarships, the Committee rejects inclusion of this program in the Tribe/Agency Operations subactivity of the Indian Services activity. The Committee again recommends last year's appropriated funding level with an inflation factor.

ACTIVITY: Indian services

[In thousands of dollars, fiscal years]

Program	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation 1988	1989	1990	1991	1992
Tribal government services	32,429	6,770	5,692	6,926	6,962	7,181	7,421	7,662
Social services	111,601	89,969	90,516	102,775	106,372	110,278	113,977	117,677
Law enforcement	53,413	7,438	3,177	14,277	14,777	15,319	15,833	16,347
Self-determination services	21,624	45,618	50,682	63,095	65,303	67,701	69,972	72,244
Employment assistance	0	2,225	2,436	2,634	2,726	2,826	2,921	3,016
Tribe/agency operations	0	150,052	146,901	123,753	128,084	132,787	137,242	141,697
Navajo/Hopi settlement	2,431	0	0	0	0	0	0	0
Total	221,498	302,072	299,404	313,226	324,188	336,092	347,336	358,643

SUBACTIVITY: Tribal government services

[In thousands of dollars, fiscal years]

	1987 enacted	Baseline 1988	Administration 1988 request	SCIA 1988 recommendation
Aid to tribal government	20,233	4,379	3,301	3,301
Tribal courts	11,196	1,391	2,391	2,391
Substance abuse/alcohol judicial training	1,000	0	0	1,000
Total	32,429	5,770	5,692	6,692

The Committee recommends that the $1 million which was appropriated in fiscal year 1987 for this training be included in the fiscal year 1988 budget for Substance Abuse/Alcohol Judicial Training, pursuant to the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (Public Law 99-570). The Committee strongly believes that the Federal Government's commitment to address serious problems of drug abuse among Indian youth should not be limited to a one-time effort.

SUBACTIVITY: Social services

[In thousands of dollars; fiscal years]

	1987 enacted	Baseline 1988	Administration 1988 request	SCIA 1988 recommendation
All other social services	23,146	1,622	2,169	2,169
Welfare assistance grants	88,455	88,347	88,347	95,606
Emergency shelter staffing	0	0	0	0
Total	111,601	89,969	90,516	97,775

The Committee recommendation for Welfare Assistance Grants includes $70,496,000 for General Assistance; $15,478,000 for Child Welfare Assistance, which includes $119,000 for the Solo Parent Program; and $1,422,000 for miscellaneous assistance, which includes burial assistance.

The Committee supports the transfer of the Employment Development subactivity from Economic Development to Indian Services.

The Committee is aware of the BIA's proposed "Economic Self-Assistance Initiative." The Committee supports increased coordination between social services and employment development activities at all levels of the BIA: (Central Office, Area Office, and Agency) and with tribes. Present BIA general assistance guidelines are overly restrictive in terms of encouraging recipients to acquire skills, additional, education, and other work experience. For example, current BIA regulations prohibit general assistance recipients from attending tribally controlled community colleges without losing eligibility for assistance.

The Committee supports the intent of the "Economic Self-Assistance" Initiative, which we understand would only be implemented with the agreement of each tribe involved. We note that both the Congress and Indian tribes strongly desire increased job opportunities and economic self-reliance. However, in the absence of specific authorizing legislation for this significant change, the Committee strongly recommends that the BIA pursue consultation with tribal governments and the Committee prior to implementing the initiative. Until this is accomplished, the Committee would recommend that limited number of pilot projects be established to test the concept.

The Committee does not agree with the proposal to categorize

Burial Assistance within General Assistance Funding. The Committee does not agree with the proposal to transfer the Solo Parent Program to the Education activity, since the Solo Parent Program is primarily a social service for unwed and single mothers.

General Assistance (GA) funding performs the important and necessary function of enabling Indian families to live on Indian lands. For the past 6 years, (except for fiscal year 1987), the Administration has requested less than the amount needed for GA, in order to protect the base funding levels for other programs, and has relied on the Congress to restore funding to the level of need. The Committee does not agree with the BIA assumption of a reduction of 1,710 cases per month in fiscal year 1988 for GA. The Committee recommends that GA, Child Welfare Assistance, and Miscellaneous Assistance including Burial Assistance, be accounted for separately within the Welfare Assistance Grants program element, and that General Assistance be funded at the actual level of need, which the Committee estimates to be at least $70,496,000 which is the amount requested by the BIA for fiscal year 1987.

The Committee maintains a strong commitment to the goals of the Indian Child Welfare Act of protecting and strengthening the integrity of Indian families. The Committee notes that the BIA does not agree with the fiscal year 1987 Continuing Resolution conference report language concerning $1.2 million for fiscal year 1987 funds identified to cover fourth quarter funding of fiscal year 1986 grantees. The whole matter of BIA funding of ICWA grants needs to be closely examined by the Committee. The Committee notes that the BIA social services program took its entire 4.3 percent Gramm-Rudman reduction of $4.8 million in fiscal year 1986 out of ICWA grants, and that while funds were restored for welfare assistance grants, and for central and area office operations, funds were not restored for Tribe/Agency operations in some BIA Areas. Therefore, the Committee recommends that funding for ICWA grants be increased for fiscal year 1988 by $1,200,000 to a level of $8,210,000 in order to achieve a "restoration" of the $1.2 million intended by Congress in the fiscal year 1987 Continuing Resolution.

SUBACTIVITY: Law enforcement

[In thousands of dollars; fiscal years]

	1987 enacted	Baseline 1988	Administration 1988 request	SCIA 1988 recommendation
Law Enforcement—regular	49,813	3,838	3,177	3,177
Substance abuse/alcohol training	3,600	3,600	0	3,600
Juvenile detention center staffing	0	0	0	0
Total	53,413	7,438	3,177	6,777

The Committee recommends continued funding in fiscal year 1988 for Indian Alcohol and Substance Abuse Prevention and Treatment Act programs, including law enforcement training (+$3

million), development of a model juvenile code (+$100,000) and assistance to the Papago Tribe (+$500,000).

SUBACTIVITY: Self-determination services

[In thousands of dollars, fiscal years]

	1987 enacted	Baseline 1988	Administration 1988 request	SOA 1988 recommendation
Training and technical assistance	4,274	1,784	1,095	1,095
Contract support—undistributed	6,768	6,768	42,787	9,200
Contract support—distributed	(1)	34,245	0	46,000
Small tribes initiative	2,821	2,821	6,800	6,800
Self-determination grants	7,761	0	0	0
Total	21,624	45,618	50,682	63,095

[1] $34,245 was distributed to various subactivities in OPI during FY 1987. The Committee recommends maintaining the distributed CSFs within separate subactivities.

The Committee strongly disagrees with the proposal to consolidate Contract Support Funds into one line-item, and to provide tribes with a flat administrative fee instead of reimbursing tribes for actual indirect costs. The Committee strongly disagrees with the BIA assertion that the flat administrative fee fulfills the purposes of the Indian Self-Determination Act. The Committee recommends $46 million for Contract Support Funds that are distributed to separate subactivities, which is an increase of $9,981,000 for distributed Contract Support Funds. This recommendation is based on extensive testimony presented to the Committee to the effect that the average tribal contract support cost is approximately 25 percent as compared to the BIA's 15 percent formula. The Committee also recommends $9,200,000 for undistributed Contract Support Funds for new contracts, which is an increase of $2,432,000. This increase is based upon an estimate of average indirect costs for post-1985 new contracts. It is the intent of the Committee that the BIA should reimburse Indian tribal governments and Indian organizations at 100 percent of indirect costs for Public Law 93-638 contracts with the BIA. The Contract Support Funds which have been distributed to the subactivities have been included in the IPS, which provides a basis for matching the level of needed Contract Support Funds to the level of anticipated contracted funding.

The Committee notes that the Department of Interior Office of Inspector General conducted a study of tribal indirect cost trends, and released a report in July 1983. According to the report, tribal indirect costs increased during the 5-year period between 1979 and 1983, due to the following reasons: (1) audit costs rose 230 percent due to requirements of OMB Circular A-120, Attachment P; (2) electronic data processing costs rose 225 percent as a result of increased use of computers for accounting and program reports; (3) tribal council costs rose 86 percent as a result of more frequent meetings on contract and administrative matters; and (4) tribal administrative salary costs rose 81 percent as the CETA PSA program was eliminated. In recent years, the indirect cost pool for many tribal governments appears to have stabilized. However, budget reductions in the direct cost base have caused corresponding increases in indirect cost rates.

The Committee takes exception to the BIA assertion made in prior year budget justifications, that the use of contract support funds to meet tribal indirect costs for Public Law 93-638 contracts "created an open-ended uncontrollable, entitlement funds, the size and distribution of which depended solely on the initiative and ingenuity of each tribe in expanding its administrative organization and shifting the maximum amount of expenses to the indirect, rather than direct, category." The BIA has never offered evidence to support this assertion. However, this unfounded indictment of tribal governments appears to be the basis for proposals by the BIA regarding contract support funds. This assertion has also served to obscure the fact that, for the past 6 years, the Administration has requested less than the amounts actually needed for Contract Support Funds. This has been the primary reason for the annual shortfalls in Contract Support Funds.

The Committee supports the Small Tribes Specialized Technical Assistance initiative, and recommends that the BIA consider utilizing the expertise that exists among Indian tribal governments as a technical assistance resource. It is the intent of the Committee that self-determination grants and small tribes initiative funds be equitably available in Alaska.

SUBACTIVITY: Employment development

[In thousands of dollars, fiscal years]

	1987 enacted	Baseline 1988	Administration 1988 request	SOIA 1988 recommendation
Direct employment	4,331	334	554	335
Adult vocational training	21,851	1,861	1,882	2,299
Total	26,182	2,195	2,436	2,634

The Committee supports the transfer of the Employment Development subactivity from Economic Development to Indian Services. While the Committee opposes the "Economic Self-Assistance" initiative, the Committee does support increased coordination between social services and employment development activities at the central office and area office levels. The Committee points out that tribes that operate social services and employment development programs already coordinate not only these resources, but other related programs including JTPA USDE Vocational Training programs, and adult education and literacy programs.

The Committee recommends that the direct employment program operated by the United Sioux Tribes be funded at a level of $100,000 in fiscal year 1988. The Committee further recommends that the adult vocational training program operated by the United Tribes Educational Technical Center be funded at a level of $1,650,000 in fiscal year 1988.

SUBACTIVITY: Indian services—tribe/agency operations

[In thousands of dollars, fiscal years]

	1987 enacted	Baseline 1988	Administration 1988 request	SCIA 1988 recommendation
Scholarships	0	28,003	28,770	0
TCCC's supplement	0	1,205	918	0
Adult education	0	3,431	3,146	0
Adult vocational training	0	18,395	18,602	18,602
Other employment assistance—DE	0	3,593	2,935	3,593
Community services--general	0	897	2,003	2,003
Community fire protection	0	947	890	947
Tribal courts	0	8,765	9,061	9,061
Other aid to tribal governments	0	12,554	15,028	15,028
Social services	0	17,518	17,634	18,184
Law enforcement	0	44,351	44,799	45,459
Self-determination Grants	0	7,761	0	7,761
Self-determination training and TA	0	2,632	3,115	3,115
Total	0	150,052	146,901	123,753

Although the Committee does not support the tribal/agency operations budget concept, the budget is displayed in this report using the tribal/agency format to facilitate comparisons between the BIA budget justification and this report. The tribe/agency operations concept was presented to tribal governments during the "Indian Priority System" process. Tribes rejected the concept at that point, but the concept has been nonetheless presented in the proposed budget. Indian tribal governments and organizations continue to strongly oppose the tribal/agency concept given the unclear purposes of the concept, and the difficulty in tracking funds from the fiscal year 1987 budget to the fiscal year 1988 budget.

The Committee recommends increases above the Administration's requests of $658,000 for other employment assistance, $57,000 for community fire protection, $550,000 for tribal social services, $1,109,000 for tribal law enforcement, and $7,761,000 for self-determination grants.

The Committee recommends an incease of $550,000 for the purpose of restoring funding levels for tribal social services programs to a level commensurate with the need for family and child welfare casework services. Funding levels for tribal social services programs have eroded during the past several years, resulting in backlogs of unmet family and child welfare casework services on Indian lands. Tribes have been forced to compete with the BIA for ADP costs and for contract monitoring costs in some areas, often with the improper result that tribal funds have been cut. In fiscal year 1986, although the BIA took its entire $4.8 million Gramm-Rudman cut for social services out of Indian Child Welfare Act grants and restore central and area office operations, funds were not restored for tribe/agency operations, particularly in the Phoenix Area. Tribes that have been successful in reducing general assistance caseloads have had their funding reduced because of the BIA manual staffing formula that rewards high GA caseloads and penalizes tribes that place emphasis on casework services to help families remain intact and to become financial self-reliant.

The Committee also recommends an increase of $1,109,000 for tribal Public Law 93-638 law enforcement contracts. Many tribal law enforcement contracts are underfunded, in spite of Congressional appropriations increases for law enforcement in recent years. In many cases, the salary for a tribal police captain is much less than that of surrounding jurisdictions, and is often less than the starting salary for a BIA police officer. Funding inequities make it difficult for tribal governments to perform their law enforcement responsibilities, specially with rising costs of vehicle operations and liability insurance.

It is the Committee's understanding that the increase of $448,000 over the fiscal year 1988 base for law enforcement-tribe/agency operations is for the purpose of including the funds added by Congress for tribal government contracts in Western Nevada and for the Mississippi Choctaw Tribe in the ongoing IPS base levels.

The Committee supports strengthening the small tribes management capabilities, but not as a trade-off for self-determination grants. Over the past 10 years, self-determination grants have enable Indian tribal governments to develop the capabilities for tribal planning, financial management and personnel management which are necessary for successful delivery of services to Indian reservation residents and prudent management of resources.

ACTIVITY: Navajo-Hopi settlement program

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Navajo-Hopi settlement program	2,431	2,402	1,971	2,402
Total	2,431	2,402	1,971	2,402

The Administration proposes to make the Navajo-Hopi Settlement Program a separate activity rather than a subactivity under Indian Services. The program's objective is to protect the rights of relocatees, to reduce livestock to carrying capacity, and to restore the management and grazing capacity of rangelands lying within the Navajo-Hopi joint use area. The Administration proposes a $431,000 reduction from its fiscal year 1988 base. The Administration believes the reduction will be possible assuming that the majority of Navajo families have been relocated to the new lands. The Committee believes the Bureau's reasons for the reduction may not be achieved and, therefore, restores funding to the fiscal year 1988 base.

ACTIVITY: Economic development and employment programs

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Business enterprise development	14,296	10,792	13,146	14,796
Road maintenance	23,157	267	767	500
Tribe/agency operations		27,861	25,797	25,157
Total	63,635	38,120	39,710	39,953

The Committee supports the continuation of the Business Enterprise Development Center Grant Program at the requested level of $7.5 million based on its proven track record for attacking private capital to reservation economies. However, the Committee questions why the Indian revolving loan program which does not involve any new funds for fiscal year 1988 should have a ceiling of $13 million imposed.

Similarly, a ceiling of $35.5 million would be imposed under the Administration's recommendations on the Loan Guarantee Program. In light of the great need for development and expansion of the private sector ecoonomy on Indian reservations, it is more logical to allow these credit programs to operate at a level that reflects actual demand for financing of business enterprises. Demand is simply measured by the number of fund requests for revolving loans and loan guarantees. Pursuant to the Indian Finance Act, the loan guarantee program is authorized up to $200 million and if meritorious requests are received up to this limit in fiscal year 1988, this would give Congress an opportunity to consider increasing this statutory ceiling rather than have the amount of loan guarantees limited by an artificial ceiling imposed in the appropriations process.

In a like manner, the revolving loan program should actually "revolve" by allowing the BIA Credit Office to make loans as funds become available through a payback of existing loans.

The BIA has requested additional funds of approximately $2.5 million to provide an extension of the business opportunity centers, a program initiative initiated in fiscal year 1987. The Committee recommends retaining these funds in the business enterprise development category until the existing business opportunity centers have established a record to determine whether they merit the three-fold expansion planned by the Administration.

ACTIVITY: Natural resources development

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Natural resources, general	2,630	2,568	3,443	3,443
Agriculture	22,820	23,976	24,210	24,210
Forestry	[1] 33,504	33,864	22,322	33,864
Water resources	11,012	3,375	1,734	3,967
Wildlife and parks	29,582	27,143	26,506	35,825
Minerals and mining	10,259	10,228	8,476	10,214
Irrigation	7,587	7,618	7,618	7,618
Total	[1] 117,394	108,772	97,309	119,141

[1] Does not include Fiscal Year 1987 supplemental appropriations for fire suppression.

This budget activity is composed of seven subactivities or program elements: Natural Resources, General; Agriculture; Forestry;

Water Resources; Wildlife and Parks; Minerals and Mining; and Irrigation. A separate request for a portion of funding for each of these programs is made for tribe/agency operations under this activity.

SUBACTIVITY: Natural resources, general

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Natural resources, general	2,630	1,581	1,888	1,888
Tribe/agency operations		987	1,555	1,555
Total	2,630	2,568	3,443	3,443

The major function of this program element is to provide direction and support in the planning and management of renewable resources of Indians. A major initiative begun in April 1986 is the development of a major data base on Indian resources known as the Indian Integrated Resources Information Program (IIRIP). A companion part of this information base is a Geographic Information System (GIS). Resources involved in these systems are water, wildlife, fish, agriculture, forestry, grazing, and minerals.

The Committee accepts the Administration's estimates for this program.

ACTIVITY: Agriculture

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Agriculture	22,820	2,897	3,506	3,506
Agricultural Extension Service		605	448	448
Tribe/agency operations		20,474	20,256	20,256
Total	22,820	23,976	24,210	24,210

Activities under this program involve planning, management, conservation, development and utilization of Indian soil, water, and rangeland resources. Over 46 million acres of Indian land are used primarily for farming and grazing. This is approximately four-fifths of the Indian trust lands. In its budget justification the problems with Indians and agricultural economics is discussed in brief form, noting that many Indian farmers or ranchers have become over-extended and unable to obtain operating capital. It is also noted that in the 1980's BIA set farming and grazing rental rates based on off-reservation "arms length appraisals" and this effort to collect a fair rental rate has compounded the problem of undercapitalization.

In fiscal year 1987 there was a special appropriation of $5.7 million for emergency hay relief. In connection with this appropriation, the BIA was directed to conduct a study of the effectiveness of Federal and tribal governments in agriculture and ranching throughout the United States. This report was filed with the Congress in September 1986.

The Committee accepts the administration's estimates for this program but recommends that $1.5 million be ear-marked for cropt establishment costs associated with the Gila River Farm development project under the Agriculture program. This amount together with the $1,770,000 recommended for Gila River Farm under Irrigation Systems Construction represents the second phase of the Gila River Farm development project.

ACTIVITY: Forestry

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Forestry	[1] 33,504	10,060	6,631	10,060
Tribe/agency operations		23,804	15,691	23,804
Total	[1] 33,504	33,864	22,322	33,864

[1] Does not include fiscal year 1987 supplemental appropriations for fire suppression.

The Committee opposes the proposed reduction of $3,150,000 in the BIA Forest Development Program. The proposed reduction would delay elimination of the reforestation backlog from the present target of 1995 until several years into the next century. The proposed reduction would reduce substantially field capability (both contracting and direct employment) for thinning and reforestation. The Forest Development program is intended to alleviate reforestation needs caused by past mismanagement of Indian forest lands. The Committee strongly believes that this program deserves the highest priority, and that every effort should be made to eliminate the reforestation backlog at the earliest possible date.

Another Administration initiative opposed by this Committee is the proposal to reduce the timber sales program by $2,538,000. The proposed decrease reflects a planned reduction in the number of timber sales offerings, resulting from the elimination of "below-cost" timber sales. Nevertheless, the Bureau of Indian Affairs plans to offer new timber sales of approximately 700 million board feet, the same as those offered during the 2 previous fiscal years.

The Committee believes this proposal to be ill-advised and ill-considered. The Administration's budget request fails to provide any indication of how the Bureau of Indian Affairs would determine what sales are made "below cost", a question which has plagued the U.S. Forest Service for a number of years. Furthermore, the BIA has failed to suggest how it would allocate the costs of the timber sales program to individual timber sales. Until the BIA provides answers to these questions, the Committee has no other choice than to oppose this initiative, and to support continuation of the forestry program at levels sufficient to offer new timber sales at previous volumes.

The Committee objects in the strongest possible terms to the Administration proposal to reduce appropriations for the timber sales program by $5 million and to offset the reduction by proposed administrative fee collections associated with the timber sales program. Under current procedures, timber sale deductions are placed in a special deposit holding account, established exclusively for these fees, for each reservation. These administrative deductions are credited to the tribal accounts to the extent of tribal obligations for approved forestry related activities. Under the present proposal, administrative deductions collected from Indian timber sales would be made available to the BIA to defray costs associated with the timber sales program.

Finally, the Committee is dismayed to learn that, despite protestations to the contrary, the Assistant Secretary for Indian Affairs has directed the BIA Division of Forestry to prepare a request for proposal (RFP) to contract BIA forestry functions to a private entity. This so-called forestry privatization initiative is nothing less than an attempt by the Assistant Secretary to abdicate the trust responsibilities of the Federal Government over Indian forest lands. At the appropriate time, the Committee intends to request that the Appropriations Committee include in the fiscal year 1988 Appropriations bill language to prohibit the expenditure of Federal funds on this initiative.

SUBACTIVITY: Water resources

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Water resources	11,012	1,967	467	1,967
Tribe/agency operations		1,408	1,267	2,000
Total	11,012	3,375	1,734	3,967

The Administration request assumes the transfer of $7,500,000 to Water Rights Negotiation/Litigation for activities undertaken on behalf of tribes whose water rights are at risk. The Committee does not oppose this proposed transfer. The Committee does object, however, to the proposed reduction for tribe/agency and field operations for water planning, management, and development activities on behalf of tribes whose water rights are not at risk.

The Committee's recommendation also includes an increase of $600,000 to continue ongoing general investigations and advance planning on irrigation projects which benefit the Rosebud Sioux and Yankton Sioux Tribes, the Confederated Tribes of the Umatilla Indian Reservation, and the Yakima Indian Nation. This additional funding will offset reductions proposed by the Bureau of Reclamation for these projects.

SUBACTIVITY: Wildlife and parks

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Wildlife and parks	29,582	10,114	10,301	10,114
Tribe/agency operations		17,029	16,205	25,711
Total	29,582	27,143	26,506	35,825

The Committee rejects the proposed reduction in funding of $380,000 for the Columbia River Intertribal Fish Commission and the Northwest Indian Fish Commission to implement the United States-Canada Salmon Interception Treaty. The rationale for this proposed reduction is that additional funding will be made available to the States and Federal agencies for treaty implementation work through the budgets of the Departments of State, Commerce, and Interior.

This statement from the President's budget request simply is not true. The Administration has requested $900,000 less for the Departments of Commerce and Interior than the amount recommended by the United States section of the Pacific Salmon Treaty Commission. Furthermore, of the $6 million requested by the Administration for the Department of Commerce for treaty implementation, the Administration assumes $4 million will be collected as a result of legislation to authorize the collection of a saltwater recreation fishing license fee—a dubious proposition at best. The Committee is greatly concerned about this apparent lack of commitment by this Administration to fulfill its obligations under the United States-Canada Salmon Interception Treaty.

The Committee is concerned that adequate funding be provided to operate and maintain, and rehabilitate where necessary, fish production facilities funded by Indian tribes and the BIA. Consequently, the Committee recommendation includes an additional $2,242,000 for operations and maintenance and $6,440,000 for rehabilitation work at 46 fish hatcheries throughout the United States. The Committee believes this additional funding is necessary to protect the Federal investment in these facilities, to sustain their useful life, and to prevent the need for premature investment in replacement facilities.

The Committee notes these recommendations are consistent with the September 1986 report to Congress by the Bureau of Indian Affairs entitled "Rehabilitation Needs of Fish Production Facilities Funded by the Bureau of Indian Affairs and/or Indian Tribes for the Benefit of American Indians".

SUBACTIVITY: Minerals and mining

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Minerals and mining	10,259	8,574	6,836	8,574
Tribe/agency operations		1,654	1,640	1,640
Total	10,259	10,288	8,476	10,214

The Committee rejects the Administration proposal to reduce the Energy and Mineral Assessments Program by $1,738,000. The justification for this proposal assumes no further funding of phase III studies. It also projects limited funding for phase II studies. In the eastern area the budget proposal assumes funding of only $37,500 for six reservations for phase II studies. At least one tribe, the Penobscot Nation of Maine, has reason to believe that mineral deposits in paying quantities may be present on trust lands but has been unable to obtain funding for an adequate phase II study.

The Committee notes that over the last 16 years 76 percent of the total lease income nationwide has been derived from mineral leases. The justification notes that it takes from 5 to 10 years of exploratory and development work prior to commencement of commercial mineral production, and states that considering the present market conditions in the mineral industry, mineral assessment work should be done now. The Committee notes with approval the proposal to increase the percentage of BIA's mineral assessment budget allocated to Indian tribes through Public Law 93-638 contracts and recommends that funds from this program continue to be made available to the Council of Energy Resource Tribes for research and technical assistance.

SUBACTIVITY: Irrigation

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Irrigation	7,587	7,618	7,618	7,618
Tribe/agency operations				
Total	7,587	7,618	7,618	7,618

The Committee accepts the Administration's estimate for this program

ACTIVITY: Trust responsibilities

SUBACTIVITY: Indian rights protection

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Environmental quality	1,185	1,264	1,263	1,263
Indian rights protection	16,630	[1] 24,022	21,835	23,485
Total	17,815	[1] 25,286	23,098	24,748

[1] This figure includes a transfer of fiscal year 1988 base funding in the amount of $7,500,000 from the Water Resource Planning, Management and Development Program under the Natural Resource Development activity.

SUBACTIVITY: Real estate/financial trust services

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Trust services general	1,180	1,233	2,041	2,041
Real estate services	26,516	27,389	31,224	31,224
Financial trust services	4,616	4,787	6,977	6,977
Total	32,312	33,409	40,242	40,242

The Trust Responsibilities budget activity is composed of two major subactivities: Indian Rights Protection and Real Estate/Financial Trust Services. Program elements of Indian Rights Protection are: Environmental Quality and Rights Protection. Program elements of Real Estate/Financial Trust Services are: Trust Services General, Real Estate Services, and Financial Trust Services. A separate request for a portion of funding for each of these programs is made for tribe/agency operations under this activity.

SUBACTIVITY: Environmental quality

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Environmental quality	1,185	568	568	568
Tribe/agency operations		696	695	695
Total	1,185	1,264	1,263	1,263

The objectives of this program are to comply with a number of Acts dealing with environmental quality such as NEPA and historic preservation and protection required by such statutes as the Archeological Resources Protection Act. Funding for the program is split about evenly between the Central and Area Office level and the Tribe/Agency Operations level. There is no significant change in funding for this program. The Committee accepts the Administration's estimate for this program.

SUBACTIVITY: Indian rights protection

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Indian rights protection	16,630	[1] 20,034	18,281	19,931
Tribe/agency operations (other rights protection)		3,988	3,554	3,554
Total	16,630	[1] 24,022	21,835	23,485

[1] This figure includes a transfer of fiscal year 1988 base funding in the amount of $7,500,000 from the Water Resources Planning, Management and Development program under the Natural Resource Development activity.

Of the seven programs falling within the Indian Rights Protection program, three bear significant reductions which do not appear justified. The Committee rejects the proposal of the Administration to reduce funding for the historical and cemetery site investigations required under ANCSA by $500,000 below the fiscal year 1988 base of $1,111,000; rejects the proposal to reduce Litigation Support by $800,000 below the fiscal year 1988 base of $1,980,000; and rejects the proposal to reduce funding for payment of attorney fees by $350,000 below the fiscal year 1988 base of $1,500,000.

ANCSA historical and cemetery site investigations are required under the Alaska Native Claims Settlement Act. BIA contends that despite the proposed reduction by one-third of the fiscal year 1987 funding effort, the 1992 target date for completion can still be met, and that savings can be achieved by consolidation of administrative support in Anchorage and through coordination with BLM surveys. The Committee is concerned that this reduction would unnecessarily delay completion of this work.

The Litigation Support Program provides information and evidence required by the United States in participating in litigation involving Indian rights. Support is also provided to tribes where they are separately represented because of conflicts of interests with the United States. The program for funding of attorney fees is a part of the Litigation Support effort, providing support for separate representation of the tribes in the event of conflicts of interest with the United States or where the Attorney General otherwise declines to represent tribal interests. The proposal to decrease funding for the Litigation Support by $800,000 is a reduction of effort of approximately 40 percent and the support for payment of attorney fees by approximately 25 percent.

BIA justifies the reduction in funding for Litigation Support on the basis that the grounds that this deletes funds appropriated in fiscal year 1987 used to accelerate attention to non-water litigation. The fiscal year 1987 justification identified such cases as trespass; title questions; property line disputes; rights-of-way; allotment claims; mineral entry; pollution issues; and activities which have harmed or could harm the health and safety of the reservation population. The justification does not cite any reduction in case load to support its request for reduced funding.

As justification for the reduction in funding for attorney fees, the justification notes that application for funding have exceeded funds granted for the last 2 fiscal years, and states that based on that

historical performance data (i.e., BIA denial of funding) the reduction is justified. There is no indication that these grants were denied for any reason other than lack of available funding.

The Committee notes that $7.5 million in base funding is transferred from the Water Resources Program under Natural Resource Development to the Indian Rights Protection Program, Water Rights Negotiation/Litigation. While the Committee has not posed an objection to this transfer, there is concern that this could impede the capacity of tribes to contract for water development studies under Public Law 93-638. If such an impediment is posed, then the Committee would urge that this funding remain in the Water Resources Program under Natural Resource Development.

SUBACTIVITY: Real estate/financial trust services

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Trust services general	1,180	996	1,667	1,667
Tribe/agency operations		237	374	374
Total	1,180	1,233	2,041	2,041

The Trust Services General Program provides general management and technical assistance on matters effecting trust assets. The Committee accepts the Administration's estimate for this program. The Committee notes that this program includes funding in the amount of $700,000 for a new Resource Allocation/Effectiveness Study which in some measure is driven by an OMB governmentwide review of all programs by 1992 to measure productivity/costs of Federal programs. The Committee strongly urges that the BIA study be carried out with a maximum of consultation with the tribes and that any such study include a needs assessment on a reservation-by-reservation basis.

SUBACTIVITY: Real estate services

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Real estate services	26,516	8,448	10,869	10,869
Tribe/agency operations:				
Real estate appraisals		3,758	3,664	3,664
Other real estate services		15,183	16,691	16,691
Total	26,516	27,389	31,224	31,224

This program is responsible for the maintenance of land titles, heirship data and property income data for over 200,000 tracts and separate records on 2 million ownership interests. The major increase in funding involves improvement of the record system through the Land Records Information System, and the filling of vacancies in the Land Titles and Records Offices which have been

vacant for extended periods of time. The Committee accepts the Administration's estimate for this program.

SUBACTIVITY: Financial trust services

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Financial trust services	4,616	4,787	6,977	6,977
Tribe/agency operations				
Total	4,616	4,787	6,977	6,977

The Committee accepts the Administration's estimate for this program.

The objective of this program is the investment, accounting and disbursing of approximately $1.7 billion of trust funds owned by Indian tribes or by individual Indians. A major initiative of BIA at this time is to contract with private banking institutions for the collection, accounting and investment of these trust moneys. This increase is necessary to cover the additional costs to BIA of contracting this program with private banking institutions.

This new program was the object of an oversight hearing by this Committee in September 1986 and was the subject of lengthy discussion at our oversight hearing on February 19, 1987, of the fiscal year 1988 budget proposal. The Committee wishes to reemphasize the need for consultation with the effected Indian tribes and individuals before implementation of this new system and transfer of tribal and individual trust funds to private banking management.

ACTIVITY: Facilities management

[In thousands of dollars; fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
GSA rentals	9,800	9,936	9,936	9,936
Facilities operation and maintenance	78,709	77,861	70,971	77,861
Facilities O&M contract support	1,336			1,336
Total	89,845	87,797	80,907	89,133

The Bureau proposes reducing the facilities management budget based upon space reduction goals and better utilization of space. As a backup plan, the bureau proposes that programs will be assessed additional costs if these goals are not met. The Committee does not believe the goals will be met and recommends funding at the fiscal year 1988 base level.

ACTIVITY: General administration

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Management and administration	49,726	34,071	38,194	38,194
ADP service	17,551	16,781	17,731	17,731
Employment compensation payments	7,538	12,203	12,131	12,131
Program management	5,848	5,927	6,127	6,127
Consolidated training programs	840	840	840	840
Tribe/agency operations		19,553	19,486	19,486
Total	81,503	89,375	94,509	94,509

ACTIVITY: Construction

[In thousands of dollars, fiscal years]

	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Buildings and utilities	48,110		32,360	49,892
Irrigation systems	17,885	2,074	8,194	13,771
Housing	22,606	2,907	17,340	25,000
Total	88,601		57,894	88,663

An analysis of the Construction account follows:

[In thousands of dollars, fiscal years]

Building and Utilities	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Education projects	2,500		8,400	20,062
New construction P&D	90			870
Facilities improvement and repair	33,020		23,960	23,960
Emergency shelter/halfway house	5,000			5,000
Juvenile detention facilities	7,500			
Total	48,110		32,360	49,892

The Committee does not agree with the Administration's proposal to fund construction of only one new school and to seek no funding for planning and design of any other new schools. The justification for zero funding for school construction given in fiscal year 1987 was that the BIA was undertaking a study of Indian education. It does not appear that that study has been completed and, in fact, BIA now proposes a new education initiative which the Committee rejects.

The Committee recommends funding new school construction in the amount of $11,662,000 over the $8,400,000 requested for construction of the Turtle Mountain Middle School. This additional funding will permit construction of the following new facilities:

St. Frances School, Rosebud, South Dakota	$8,762,000
Papago Cottage Dormitory Project, Arizona	2,900,000
Total	11,662,000

The St. Frances School will house 600 students—K through 12th grade. The Papago Cottage Dormitory project will house 96 children at an existing school location in lieu of rehabilitation of a dormitory facility at Santa Rosa, some 35 miles distant from the school.

The Committee also recommends funding of $870,000 to provide for planning and design of the following schools:

Oglala High School at Pine Ridge, South Dakota	$420,000
Laguna Middle School, New Mexico	200,000
Cour d'Alene School, Idaho	250,000
Total	870,000

The Committee also objects to the proposal to rescind $7.5 million appropriated to construct Juvenile Detention Centers under the Omnibus Drug Supplemental Appropriations Act of 1987, and rejects the proposal to zero fund Emergency Shelter/Halfway House construction in fiscal year 1988 and recommends continuation of funding for this program at the fiscal year 1987 level of $5 million.

[In thousands of dollars, fiscal years]

Irrigation systems	1987 enacted to date	1988 base	1988 estimate	SCIA recommendation
Irrigation construction	10,500			13,771
Dam safety	5,140		5,620	5,620
Surveys and designs	500		500	500
Engineering and supervision	1,745	2,074	2,074	2,074
Total	17,885	2,074	8,194	21,965

The Committee strongly opposes the $9.0 million rescission of last year's irrigation moneys. The Committee recommends an additional $13.771 million for the following construction projects:

Fallon Paiute, Nevada	$1,250,000
Navajo Indian Irrigation Project	3,300,000
Ft. Belknap, Milk River Project, MT	1,000,000
Gila River/Sacaton Farms, AZ	1,771,000
Cheyenne River Sioux, SD	350,000
Crow Greek, SD	1,600,000
Lower Broule Sioux, SD	1,500,000
Ute Mountain Ute, CO	2,000,000
Tule River, CA	1,000,000
Total	13,771,000

The Committee recommends the additional amount of $5 million for Miner Flat Dam to be added to the Irrigation Systems account for construction. The planning and design work on this project has been completed and will be ready to go into the construction stage as soon as the design work has been reviewed and approved. The addition of this amount will bring the Committee's final recommendation for Irrigation construction projects to $18.771 million.

[In thousands of dollars; fiscal years]

Housing	1987 enacted to date	1988 base	1988 estimate	SCIA recommendations
Housing development	2,599	2,847	2,847	2,847
Housing improvement program	19,884		14,379	25,000
Total	22,483	2,847	17,217	27,847

The Committee does not agree with the Administration's request for Housing Improvement Program funds and recommends $25 million for this program. The Committee notes that BIA identifies some 92,580 families as being in need of housing and that here are some 39,880 houses identified as suitable for renovation. BIA also states that 52,700 new homes are required. The primary housing program for Indians is operated by the Department of HUD. New houses under this BIA program are built only in emergency circumstances.

In addition to providing badly needed housing on Indian reservations, the Committee notes that these HIP moneys will provide one of the primary sources for the work incentive program proposed by BIA for those receiving general assistance.

Department of Health and Human Services

Indian Health Service

The Indian Health Services (IHS) is charged with administering the principal Federal health program for American Indians and Alaska Natives. Since the 1980 census, there has been a 19-percent increase in the Native American population, and a 14-percent increase in demand for outpatient services. IHS serves approximately 1 million American Indian and Alaska Native patients under eligibility regulations promulgated by the Department of Health and Human Services.

The legal authority for the provisions of health care services American Indian and Alaska Native people is based upon commitments established in treaties between the United States and various Indian tribes, and several laws enacted by the Congress in furtherance of the United States' trust responsibility for Indian people, their lands and resources. The three fundamental Federal laws that provide authority for the activities and responsibilities carried out by the Indian Health Service are the Snyder Act of 1921, 25 U.S.C. 13; the Indian Sanitation Facilities Act, Public Law 86-121; and the Indian Health Care Improvement Act, 25 U.S.C. 1601, et seq. The Indian Health Services uses both direct and contract health care services to fulfill its' responsibilities.

Direct health services are provided through the operations of 45 hospitals, 72 health centers and several hundred smaller health stations and statellite clinics. The tribal health delivery system administered by tribes and tribal groups through contracts with IHS, operates 5 hospitals and approximately 300 outpatient health clinics. The purchase of medical care from other providers through contract health services provides supplemental services. The IHS

has approximately 1,300 contracts with private providers, primarily for the delivery of speciality care, or for primary care in areas where IHS has not direct care facilities. Various clinical and referral services are provided to Indian and Alaska Native people residing in urban areas through 35 urban health programs.

President's Budget Request for Fiscal Year 1988

The President's budget for fiscal year 1988 is premised in part upon Congressional approval of a proposal to transfer 1987 appropriations from the community health representatives ($1,809,000), urban health ($1,000,000), and health facilities ($9,352,000) program accounts to cover the costs of a pay raise for Federal employees and contributions to the Federal Employees Retirement System. The President's budget also requests approval of a proposal to rescind $57,100,000 of 1986 and 1987 appropriations for the Indian health facilities account. In addition, in an effort to make up a 2-percent shortfall in the hospital and clinic, contract care, and dental services accounts, the IHS Area and Program offices are being directed half way through fiscal year 1987 to limit expenditures to 98 percent of the fiscal year 1986 recurring base for hospital and clinics, contract care, and dental services.

Despite Congressional Budget Office estimates that show a 6.9-percent increase in the costs of providing health care services to Indian people from 1987 to 1988, the President's budget request for fiscal year 1988 proposes a 4-percent decrease in hospitals and clinics; a 5-percent decrease in the alcoholism program; and a 20-percent decrease in funds for the purchase of contract care from the 1987 level of appropriations for those programs. Applying the gross national product implicit price deflator as set forth on pages 2-4 of the *Budget of the United States, Fiscal Year 1988*, the reductions proposed by the President would result in a 7-percent loss in purchasing power for the hospital and clinics program; an 8-percent loss for the alcoholism program; and a 23-percent loss in purchasing power for contract care. Comparing the President's request for direct care services programs to the amounts required to maintain services at the current level, the President's request would reduce the current service level of effort for the hospital and clinics program by 11 percent; for dental services by 4 percent; for alcoholism by 8 percent; and for contract care by 24 percent. Estimates of the amount required to maintain services at current levels are derived from projections made by the Department of Health and Human Services.

Further, while the Indian Health Service Justification of Appropriation Estimates state that the IHS will embark on a 10-year self-determination goal to have Indian tribal organizations administer 75 percent of IHS hospitals and clinics by 1998, the President's budget proposes a 72-percent reduction in the program (tribal management) funds that are designed to assist tribal governments in developing the capacities to assume such operations and responsibilities. And, while the IHS budget justification indicates that 20 percent of all Indian and Alaska Native homes lack first-service water and sanitation, this year as last year, the President's budget requests no funding for the provision of safe water and sanitation facilities for Indian homes.

In addition to the $57 million recission request for funds from the Indian health facilities account, the President's budget requests $2,450,000 to meet the program's objectives of: (1) ensuring compliance with all buildings/grounds accreditation standards considered by the Joint Commission on the Accreditation of Hospitals; (2) providing improved facilities for inpatient and outpatient care; (3) maintaining IHS health care facilities to meet existing building codes and standards and improving the IHS overall facilities management capability; and (4) providing alternate energy sources and initiating energy conservation measures.

Taken together, the Committee finds that the proposals to transfer $12,161,000 of 1987 appropriated funds, the proposal to rescind $57,100,000 of 1986 and 1987 appropriated funds, the proposals to cut direct health care service funds by 11 percent and 24 percent, the proposal to provide no funding for water and sanitation facilities for Indian homes, and the proposal to reduce the tribal government capacity building activities by 72 percent, represent an irresponsible and unacceptable approach to the fulfillment of the United States' commitments and legal obligations to provide health care to Indian people. The Congress has established the policy, in the Indian Health Care Improvement Act, that the Federal Government will seek to raise the health status of American Indian and Alaska Native people to the highest possible level. Nonetheless, it is widely acknowledged that overall, Native Americans continue to to suffer a lower health status than any other segment of the American population. This year, rather than contributing to the goal of raising the health status of this country's native people, the President's budget request for the Indian Health Service for fiscal year 1988 seeks to undermine what progress has been realized in achieving that goal, and to provide substantial financial impediments to the capacity of the Indian Health Service to deliver quality health care to Indian and Alaska Native patients.

The members of the Select Committee on Indian Affairs strongly urge the members of the Committee on the Budget and the Committee on Appropriations to reject the proposals contained in the President's budget request for the Indian Health Service, and to adopt the level of funding, as recommended below, that will enable the Indian Health Service to continue its slow but steady progress toward the goal of ensuring that this Nation's First Americans will one day enjoy the same health status that other Americans have come to believe is a right of every citizen of the United States.

CLINICAL SERVICES

[In thousands of dollars; fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Hospital and health clinic	479,767	461,142	[1] 519,278
			[2] 534,856
Dental services	25,849	26,684	[1] 27,898
			[2] 29,572
Mental health	11,362	11,738	[1] 12,174
			[2] 12,539

[In thousands of dollars, fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Alcoholism	27,705	26,414	[1] 29,175
			[2] 30,050
Maintenance and repair	9,025	9,025	[2] 9,359
Contract care	183,713	146,090	[1] 193,482
			[2] 199,286
Total	737,421	681,903	[1] 791,366
			[2] 815,662

[1] Current services. [2] Recommended funding level.

Hospital and Health Clinic Program

The President's request for hospitals and clinics represents an 11-percent reduction from the level of services being provided in fiscal year 1987, and a 7-percent loss in purchasing power in fiscal year 1988 as compared to fiscal year 1987. The Committee finds the proposed reduction in direct health care services to Indian people unacceptable. Midway through the fiscal year, IHS is also directing its area and program offices to limit expenditures to 98 percent of the fiscal year 1986 recurring base—an additional 2 percent cut in fiscal year 1987.

Based on Congressional Budget Office estimates of a 6.9-percent increase in the costs of providing health care to Indian people in fiscal year 1988 as compared to fiscal year 1987, and a projected 3.5-percent loss in purchasing power as projected on pages 2–4 of the *Budget of the United States, Fiscal Year 1988,* the Committee's recommended funding level allows for a modest increase of 3 percent over the amount necessary to maintain services at the fiscal year 1987 level of effort. The members of the Committee believe that such an increase is the only means of assuring that progress is realized in raising the health status of Indian and Alaska Native people to a level of parity with that of the general populations, and that the quality of the health care provided to Indian people does not deteriorate. Further, with the acknowledged shortage of physician supply to the Indian Health Service that is associated with the elimination of the National Health Service Corps Program, the members of the Committee believe that qualified health care providers will not elect to serve in the Indian Health Service unless they can be assured that the Federal Government's commitment to quality health care for Indian people is supported by funding sufficient to assure that the objective of health status parity can be achieved.

Dental Services

According to the IHS budget justification, the President's budget request for dental services will require the Indian Health Service to terminate the provision of dental services to at least 1,200 Indian patients, and will reduce the total number of services rendered by 89,000. The President's request for dental services represents an 8-percent decrease from the amount necessary to maintain the current level of services, and a 4-percent loss in purchasing

power based on the gross national product implicit price deflator as set forth in the *Budget of the United States, Fiscal Year 1988.*

The Committee's recommended funding level provides for a modest 3-percent increase over the amount necessary to maintain the fiscal year 1987 level of program effort, and will enable the Indian Health Service to begin to address a backlog in needed dental services that has resulted in over a 1-year waiting period in many IHS clinics. Given the findings of the 1983–84 Oral Health Survey which indicates that: (1) only 20 percent of Indian children are free from tooth decay and 30 percent have 7 or more teeth affected by decay versus 15 percent nationally; (2) dental decay experience in permanent teeth of 5–17 year olds is twice the national average; (3) only 53 percent of decayed permanent teeth are filled versus 79 percent nationally; (4) 50 percent of Indian pre-school children have baby bottle tooth decay; (5) 70 percent of Indian children require restorations versus 25 percent nationally; and (6) access to dental care (33 percent) is lower than the national average (55 percent); the members of the Committee believe that the proposed increase is not only modest, but probably falls far short of the amount of funding that is necessary to begin to reverse these statistics.

Mental Health

The President's budget request for mental health calls for a 4-percent reduction from the level of services being provided in fiscal year 1987, and represents a 4-percent loss in purchasing power based on the gross national product implicit price deflator as set forth in the *Budget of the United States, Fiscal Year 1988.* At a time when the suicide rate among Indians and Alaska Natives is acknowledged to be amongst the highest of any population worldwide, the Committee finds the President's proposed funding level to be unacceptable.

Instead, the Committee recommends a level of funding that will allow the Indian Health Service to maintain not only the current level of services, but that will enable the IHS to expand mental health services by a modest 3-percent. The members of the Committee believe that rather than reducing the number of client contacts by 5,000 in fiscal year 1988, as the President's budget proposes, the mental health problems that are reflected in alarmingly high rates of alcoholism and suicide in the Indian and Alaska Native population must be addressed with an increase in the number of patient contacts.

Alcoholism

There is perhaps no other health problem in the American Indian and Alaska Native population that is more significant or widespread than the problem of alcoholism. Nonetheless, the President's budget for the IHS Alcoholism Program proposes to reduce outpatient visits and inpatient days by 4.6 percent; to reduce by 14,800 the number of outpatient visits; and by 10,900 the number of inpatient days. The amount of funding proposed in the President's budget would reduce funding by 5 percent below the fiscal year 1987 level of services, and would result in a loss of purchasing power of 8 percent, based on the gross national product implicit

price deflator as set forth in the *Budget of the United States, Fiscal Year 1988.*

In 1987, the Congress and the President established a major national priority aimed at the prevention and treatment of alcohol and drug abuse through the enactment of Public Laws 99-500 and 99-591. In furtherance of the objectives adopted by the Congress and the President, the Committee recommends a level of funding for the IHS Alcoholism Program that will maintain the fiscal year 1987 level of services, and that will enable a modest increase of 3 percent in the IHS effort to address the serious problem of Indian alcoholism.

Maintenance and Repair

The ISH Budget Justification states that, "One element vital to ensuring a continued IHS capability for adequate patient care is the provision of a well maintained physical plant within which the task of health care delivery can be carried out safely, efficiently, and economically." The IHS operates and maintains 45 hospitals, 72 health centers, several hundred health stations, 2,025 units of personnel quarters, numerous warehouses, boiler plants, maintenance shops, government automotive garages, emergency powerplants and other buildings. These structures contain more than 7.6 million gross square feet of floor space. In addition, IHS controls and maintains over 121,281 square feet of lease facilities and a total of 1,826.7 acres of institutional and trust land. The IHS budget justification indicates that the backlog of essential maintenance and repair projects (BEMAR) deficiencies as of December 31, 1986 amounted to $82,472,692, and that the total amount of necessary alterations as of that date amounted to $35,979,765. To address this backlog of deficiencies and alterations, the President's budget proposes to expend $9,025,000—the same amount that was appropriated in fiscal year 1987. The President's request represents a 4-percent reduction from the amount necessary to maintain services at the current level, and a 3-percent loss in purchasing power.

The Committee recommends a level of funding for the maintenance and repair program that will allow the Indian Health Service to maintain the fiscal year 1987 level of program effort. The members of the Committee do not contend that even this recommended level of funding is adequate to begin to address the backlog of deficiencies and alterations that have been identified, but in the interest of keeping the overall IHS funding within deficit reduction targets, the members of the Committee believe that the maintenance of services at existing levels is the next best alternative.

Contract Care

The most extreme reduction in direct health services proposed in the President's budget is in the area of contract care—care purchased from private and tribal health care providers—where the President's budget proposes a 24-percent decrease from the level of services provided in fiscal year 1987, or a 23-percent loss in purchasing power based on the gross national product implicit price deflator as contained in the *Budget of the United States, Fiscal Year 1988.*

Under the current level of services, access to contract care is limited to life and limb threatening illnesses and injuries only. In areas of the country in which contract care is the only health care available to IHS-eligible patients, such as the States of Washington, Idaho, Oregon, and parts of western Nevada, the effect of the proposed reduction can be expected to have a more severe impact than areas in which the Indian Health Service operates hospitals and clinics. Tribal governments that contract with the Indian Health Service to provide contract care in tribally-operated outpatient facilities and hospitals may be forced to close those facilities given the proposed reduction, in spite of the IHS goal to have 75 percent of all IHS hospitals and clinics under tribal administration by 1998.

At the same time that the 24-percent reduction is being proposed for the contract care budget, the Indian Health Service has imposed a cap on reimbursements to contract care providers consistent with medicare allowable rates. In response, numerous health care providers have indicated that they will not renew contracts with the Indian Health Service or enter into new contracts with IHS. In some rural and isolated areas, this will mean a direct loss of access for Indian patients to the only health care providers in those areas. Compounding the difficulty of access, contract care that is available at greater distances from the patient will be severely limited if the proposed reduction is approved.

The Committee cannot accept the President's proposal for contract care, and recommends a funding level that will allow services to be maintained at fiscal year 1987 levels with a modest increase of 3 percent, recognizing the increased costs associated with the purchase of care from the private sector. The members of the Committee further believe that to the extent the proposed reduction affects tribal contract care providers, the President's budget request is inconsistent with the self-determination goal that is articulated in the IHS Budget Justification.

PREVENTIVE HEALTH

[IN thousands of dollars; fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Sanitation	22,307	23,307	[1] 23,676
Public health nursing	12,887	13,659	[1] 13,903
Health education	3,883	4,008	[1] 4,151
Community health representative	26,000	24,191	[2] 27,282
Hepatitis B	395	395	[1] 416
Total	65,472	65,560	[1] 69,428

[1] Current services.
[2] Current services and disallowance of proposed appropriation transfer.

Sanitation

The President's budget request for sanitation proposes a 2-percent reduction in the level of current services, and a reduction of 2,000 environmental health services in fiscal year 1988.

The Committee's recommended funding level for sanitation will allow the Indian Health Service to maintain the fiscal year 1987 level of program effort.

Public Health Nursing

The President's budget request for public health nursing proposes a 2-percent reduction in the level of current services, a reduction of 7,000 public health nursing services, and a reduction of 500 in the number of families served by the public health nursing program.

The Committee finds the President's request for public health nursing to be inconsistent with the IHS objective of implementing a comprehensive health promotion and disease prevention initiative, and recommends a funding level that will allow the Indian Health Service to maintain the fiscal year 1987 level of program effort.

Health Education

Recognizing that many health problems that afflict the Indian population are preventable, the IHS goal for the Health Education Program is to assist the Indian people to adopt health-promoting lifestyles; to wisely select and use health care resources, products and services; and to influence the policy and planning on health care issues and larger environmental matters that affect health. The ultimate objective of health education is to use its educational and behavior change skills to motivate Indian beneficiaries to assume the major responsibility for taking action to bring about the best possible health. The President's budget request for Health Education proposes a 3-percent reduction in the level of current services, and a reduction of 14,000 health education services in fiscal year 1988.

The Committee's recommended funding level for Health Education will allow the Indian Health Service to maintain the fiscal year 1987 level of program effort.

Community Health Representatives

The goal of the Community Health Representatives (CHR) Program is to address health care needs through the provision of community-oriented primary care services, including traditional native concepts in multiple settings, using community-based, well-trained, medically-guided Indian and Alaska Native health workers. The IHS Budget Justification states, "An example of one of the most dramatic influences of the CHR program in tribal health delivery of direct health care is demonstrated by the accomplishments in tribal emergency medical service programs and the immunization initiative. Many community-based CHRs are EMT (Emergency Medical Technician) instructors and EMTs who provide the staff for the management and operation of ambulance services for Indian communities. In addition, others are trained as First Responders and equipped with mobile radios and medical kits. Without the active involvement of CHR personnel, many tribal ambulance service programs will not survive."

The President's budget request for Community Health Representatives is premised in part on Congressional approval of an ap-

propriation transfer of $1,809,000 from the CHR program to fund Federal pay increases and the Federal Employees Retirement System, despite the fact that currently, CHRs do not receive any Federal retirement benefits nor Federal pay increases. The President's budget proposes to begin a 3-year phase over of the CHR program to other funding sources which are not identified, beginning in fiscal year 1989. The President's budget request for fiscal year 1988 for the CHR program proposes an 11-percent reduction in the level of current services, and a reduction of 105,514 patient contacts, which would result in a 10-percent loss in purchasing power according to the gross national product implicit price deflator as set forth in the *Budget of the United States, Fiscal Year 1988.*

The Committee strongly urges the Committee on Appropriations to reject the proposed appropriation transfer of CHR funds. Further, given its' widely acknowledged importance to the overall IHS health care delivery system, the Committee opposes any attempts to phase over funding of the CHR program to alternate sources, until such sources are specifically identified to the relevant committees of the Congress, and the Congress has acted to approve the proposed phase over. The Committee recommends a funding level for the CHR program that will allow the Indian Health Service to maintain the fiscal year 1987 level of program effort.

Hepatitis B Screening and Immunization Program

In response to an epidemic of Hepatitis B among native people of Alaska, the Hepatitis B Screening and Immunization Program began in 1982 and involved the Indian Health Service, the State of Alaska, and the HHS Centers for Disease Control. The program's initial goals were to identify those persons most at risk for Hepatitis B infection and to begin control of the further spread of the Hepatitis B virus in the population. Early findings indicated that the native people of Alaska were more susceptible to infection from the virus than non-native people. Findings also indicate that newborns, because of an immature immune system, are at high risk of becoming chronic carriers if they are infected with Hepatitis B virus. Chronic carriers are 230 times more likely to develop primary liver cancer than the normal population. Semiannual blood tests of Alpha Feto Protein are to be conducted on all chronic carriers to detect this primary liver cancer at an early, potentially curable state. The Seattle Indian Health Board, an urban Indian health care program located in Seattle, Washington, that is partially finded by IHS, has also participated in the screening and immunization activities, in an effort to check the spread of the Hepatitis B virus among Alaska Natives that travel back and forth from Alaska to Seattle. The objectives of the ongoing Hepatitis B program is to vaccinate all newborns and new employees, and to continue to follow approximatley 1,700 known Hepatitis B chronic carriers with semiannual Hepatitis B and Alpha Feto Protein testing.

The President's budget request for the Hepatitis B Screening and Immunization program proposes a 5-percent reduction in the level of current services, and a reduction of 9,500 in the number of patients vaccinated.

The Committee recommends a funding level for the Hepatitis B Screening and Immunization program that will allow the Indian

Health Service to maintain the fiscal year 1987 level of program effort.

URBAN HEALTH

[In thousands of dollars, fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Urban health	9,000	8,000	[1] 9,524

[1] Premised upon Congressional denial of proposed appropriation transfers, the recommended funding level represents the amount necessary to maintain services at the fiscal year 1987 level of program effort as estimated by the Department of Health and Human Services.

Urban Health

The Indian Health Service partially funds 35 urban Indian health organizations located in various cities through the United States to provide health services to the medically underserved urban Indian population. High concentrations of Indian people in certain urban areas is the result, in part, of Federal policy that established Federal relocation centers for Indian people at a time when the Federal Government was encouraging the termination of Indian reservations and the assimilation of Indian people into the non-Indian society. Urban Indian health programs provide outreach and referral services as well as the delivery of direct comprehensive ambulatory health care. Services currently being provided include medical, dental, community services, and a variety of other health related services, such as family planning, mental health, nutrition and health education, social services, alcohol and drug abuse, and home health care.

The President's budget request for Urban Health is premised in part on Congressional approval of a proposed appropriation transfer of $1 million for the Urban Indian Health program to fund Federal pay increases and the Federal Employee Retirement System, even though employees of the Urban Indian Health programs do not receive any Federal retirement benefits nor pay increases. The President's budget proposes a 3-year phase down of the Urban Indian health program, beginning in fiscal year 1988. The President's budget request for fiscal year 1988 proposes a 15-percent reduction in current services, or a loss of 14 percent in purchasing power according to the gross national product price deflator as contained in the *Budget of the United States, Fiscal Year 1988.*

The members of the Select Committee on Indian Affairs strongly urge the Committee on Appropriations to deny the proposed appropriation transfer. The Committee is further opposed to any phase down of the urban Indian health care effort until alternate funding sources are specifically identified to the relevant committees of the Congress, and the Congress has acted to approve the phase down. The Committees recommended funding level will allow the Indian Health Service to maintain its funding commitment to the urban Indian health programs at the fiscal year 1987 level of effort. Included in the Committee's recommended level of funding is an additional $100,000 for the funding of a lease/purchase agreement to

be used as a matching share of other resources to provide for permanent quarters for the alcoholism rehabilitation and treatment center operated by the Seattle Indian Health Board.

INDIAN HEALTH MANPOWER

[In thousands of dollars; fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Indian health manpower	7,018	4,646	7,244

Indian Health Manpower

With the elimination of the National Health Service Corps program, the source of physician supply on which the Indian Health Service relies for over half of its' physician corps, will be terminated. The IHS Budget Justification states, "The IHS is experiencing shortages of the critical health manpower required to effectively provide health services. Title I of the Public Law 94-437 (the Indian Health Care Improvement Act), Indian Health Manpower, authorizes the needed resources for the training of Indian health professionals and assists the IHS in coping with its manpower shortages." Nonetheless, the President's budget request for Indian Health Manpower proposes to eliminate the Indian Health Service scholarship program by providing for no new starts in the program in fiscal year 1989.

The Indian Health Manpower program consists of a health professions recruitment program for Indians which has provided grants to four university Master of Public Health Programs (University of California, University of Oklahoma, University of North Carolina, and University of Hawaii) and to the Indians into Medicine Program at the University of North Dakota; a health professions scholarship program which provides financial aid to qualified Indian individuals in health professions institutions who, upon graduation, will provide their professional services to Indian people, and an extern program that provides for work-service in the Indian Health Service during non-academic periods for students receiving health professions scholarship assistance. The Indian Health Service health professions scholarship program is the last remaining source of health care professionals for the Indian Health Service who by virtue of receiving scholarship assistance, are obligated to serve in the Indian Health Service.

The President's budget request for Indian Health Manpower proposes to phase out the Indian Health Service health professions scholarship program by providing for no new starts in fiscal year 1988, and further proposes a 36-percent reduction in the level of current services being provided by the program. The President's request would result in a reduction of 85 scholarships in the health professions preparatory program; a reduction of 104 scholarships in the health professions scholarship program; and a reduction of 104 externs in the IHS extern program.

The members of the Select Committee on Indian Affairs urge the Committee on the Budget and the Committee on Appropriations to reject the President's proposed elimination of the Indian Health Service health professions scholarship program, and to adopt the Committee's recommended level of funding that will allow the Indian Health Service to maintain services at the fiscal year 1987 level of program effort.

TRIBAL MANAGEMENT

[In thousands of dollars; fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Tribal management	2,688	749	2,829

Tribal Management

Despite the stated self-determination goal, as set forth in the IHS Budget Justification, of having 75 percent of all IHS hospitals and clinics under tribal administration by 1988, the President's budget proposes a 74-percent reduction in the program which is designed to assist tribal governments in developing the capacities to assume such responsibilities and operations. The loss in purchasing power associated with the proposed reduction is 73 percent.

The Committee recommends a funding level that will allow the Indian Health Service to continue to provide capacity-building assistance to tribal governments at the fiscal year 1987 level of program effort.

DIRECT OPERATIONS

[In thousands of dollars; fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Direct operations	36,410	34,337	39,781

Direct Operations

The direct operations program funds the administration and management of the Indian Health Service. The President's budget request for Direct Operations proposes a 14-percent reduction in the current services provided by the program.

The Committee's recommended funding level will allow the Indian Health Service to maintain the fiscal year 1987 level of program effort.

INDIAN HEALTH FACILITIES

[In thousands of dollars, fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommended funding level
Indian health facilities	71,055	2,450	53,512

Indian Health Facilities

Again in fiscal year 1988, as in past years, the President's budget proposes to merge the Indian Health Facilities account with the Indian Health Service account. The Congress has consistently rejected previous proposals to merge the two accounts, based on the loss of accountability that is projected to result from such merging, and the Administration's continued refusal to expend appropriate funds for the construction and repair of IHS facilities. Again in fiscal year 1988, as in fiscal year 1987, the President's budget proposes a rescission of funds appropriated in prior years for the construction of IHS facilities—this year's proposed rescission of 1986 and 1987 appropriated funds amounts to $57,100,000. For fiscal year 1988, the President's budget request proposes to fund the Indian Health Facilities account at $2,450,000, and proposes no funding for the construction of water and sanitation facilities for Indian homes despite the statement in the IHS Budget Justification that 20 percent of Indian homes lack first, service, water, and sanitation.

The members of the Select Committee on Indian Affairs urge the Committee on the Budget and the Committee on Appropriations to reject the proposed merger of the Indian Health Facilities account with the Indian Health Service account. The Committee members also strongly urge the members of the Committee on Appropriations to deny the President's proposed rescission of $57,100,000 from the Indian Health Facilities account The Committee's recommended level of funding will provide for the provision of water and sanitation facilities to approximately 2,500 housing units, and will allow for the construction or repair of the IHS facilities identified below.

SCIA recommended funding, fiscal year 1988

Hospitals—construction appropriation:	
1. Pine Ridge, SD	$11,201,000
2. Fort Belknap, MT	8,838,000
3. Fort Defiance, AZ	2,204,000
4. PHS Indian Hospital at Crow Agency, MT	860,000
Outpatient care facilities—construction appropriation:	
5. Toppenish, WA	7,884,000
6. Parker, AZ	400,000
7. Salisaw, OK	231,000
8. Belcourt, ND	1,142,000
9. Puyallup, WA	392,000
Sanitation facilities:	
10. BIA and tribal other built homes (2,500 units)	20,000,000
Total	53,512,000

Omnibus Anti-Drug Abuse Act Issues

For the purposes of implementing the Omnibus Anti-Drug Abuse Act of 1986 the Committee recommends that funds be appropriated in fiscal year 1988 in the amount authorized by the legislation:

$9 million for the construction or renovation and staffing of Indian youth regional treatment centers, $3 million for the renovation of existing Federal buildings to house such treatment centers;

$9 million for provision of community-based rehabilitation services;

$4 million for the development and implementation of a demonstration health promotion program; and

$300,000 for a demonstration program in Gallup, NM to rehabilitate adult Navajo Indians suffering from alcoholism or alcohol abuse.

Other Human Development Services Programs

ADMINISTRATION FOR NATIVE AMERICANS (ANA)

The fiscal year 1987 appropriated level for the ANA program is $28,989,000. For fiscal year 1988, the Administration has proposed a $2,277,366,000 generic appropriations request for all the discretionary social services activities administered by the Office of Human Development Services within the Department of Health and Human Services. The ANA program is one of about 17 discretionary social services programs administered by the Office of Human Development Services.

The generic funding method, according to the rationale for the budget request, without specifying dollar levels for the ANA program, will "simplify the budget decision-making process and enable the Office of Human Development Services to focus resource allocation decisions on the overall direction of Federal policy for social services rather than on specific programs." However, the Committee is concerned that such a funding methodology will make tracking of the ANA program difficult. Under this concept, ANA will have no specified appropriations. Native American entities eligible for financial assistance from the ANA program should be able to ascertain the amount of funds available in a fiscal year and the number of funding cycles to anticipate in preparation of applications for assistance. The generic "pooling" of funds could make accountibility of funds and planning of program objectives questionable.

While the level of funding for the ANA program has remained relatively constant over the past several years, inflation has reduced the real value almost in half. Currently, the ANA program is only able to fund about 50 percent of the applications it receives. The Committee, therefore, recommends that the level of funding for fiscal year 1988 be budgeted at $30 million to be distributed as follows: $28 million for Financial Assistance Grants; $1 million for Training and Technical Assistance; and $1 million for Research, Demonstration, and Evaluation.

DEPARTMENT OF EDUCATION

TITLE IV, INDIAN EDUCATION ACT

[In thousands of dollars, fiscal years]

	Baseline 1987	Administration 1988 request	SCIA recommendation 1988	1989	1990	1991	1992
Part A	47,200	47,200	47,696	48,199	48,708	49,222	49,741
Part B	11,568	11,568	11,690	11,813	11,938	12,064	12,191
Part C	3,000	3,000	3,032	3,064	3,096	3,129	3,162
Part D	2,268	[1] 2,466	2,466	2,492	2,518	2,545	2,572
Total	64,036	[1] 64,234	64,884	65,568	66,260	66,960	67,666

[1] 198,000 increase in part D reflects fixed cost pay increases and a small increase in travel for audit and technical assistance purposes.

The Indian Education Act (Public Law 92-318), enacted in 1972, was designed to improve educational opportunities for disadvantaged Indian children, college students, and adults. Part A of the Act provides basic grants to both public schools and reservation-based Indian controlled schools. In 1986, part A served 1,060 public and 53 Indian schools with 320,000 Indian children. Also, 33 discretionary grants were made to 28 Indian schools serving 6,400 Indian children. Part B funds competitive grants to improve the quality of education programs for Indians. Part C funds programs to enable Indians to finish high school and to receive employment training and other adult education services.

Between 1970 and 1980, the percentage of Indian adults of age 25 and older who were high school graduates increased from 33.3 percent to 55.8 percent; the median years of school completed by this group increased from 9.8 years to 12.2 years. These are impressive statistics but Indians still lag behind other groups in years of school completed, high school retention rates, median family incomes, and percentage of families above the poverty level.

In fiscal year 1979, title IV was funded at $71,735,000. Funding for the program reached a high of $81,680,000 in fiscal year 1981 and has gradually been cut to its current level of $64,036,000 in fiscal year 1987. In 1981 dollars, the current funding level would be $47,167,000 (using the administration's deflator factor presented in the fiscal year 1988 budget). Because of the severe cuts of the past 7 years, the Committee is concerned that Indian children will fall farther behind and that the gains of 1970's will be lost. Using the CBO inflator factor for education programs, the Committee therefore recommends a modest $3,150,000 increase over the Administration's fiscal year 1988 budget request for title IV to prevent further slippage in the program.

The Administration recommends that part A funding remain at the fiscal year 1987 level but with a reduction in the set-aside for Indian controlled schools to be offset by an increase in the formula grants to local education agencies (LEAs). The Committee accepts the proposal for the second reason given by the Department for the reallocation, that is, to correct the current disparity in title IV funding allocations where LEAs now receive about $136 per Indian student and Indian controlled schools receive $593 per student. The

first justification is the Administration's contention that the reallocation is necessary because of the BIA's proposal to transfer the operation of its schools to public school systems. The Committee opposes the proposed BIA education initiative (see BIA education discussion).

Department of Education

other programs

The Department of Education funds five other major programs for which large numbers of Indian students are eligible. Although the Committee does not have direct jurisdiction over these five programs—Impact Aid (Public Law 81-874), the Vocational Education Act, Chapter 1, Library Services and the Bilingual Education Act—we wish to note our concerns about the fiscal year 1988 funding recommendations for these programs as they affect Indian students. In particular, the Committee wishes to note that it objects to the proposal to eliminate the Vocational Education Basic Grants and the Library Services Program. The Vocational Education Act contains a set-aside for Indian and Native Hawaiian Programs, for which $12,390,000 was appropriated in fiscal year 1987. This amount will serve 3,740 trainees in 67 programs at a per trainee cost of $2,500 for Hawaiians and $3,591 for Indians. The Administration's justification for the elimination of this program is without merit. There is no indication that alternative funding sources are available. This program provides needed services in Indian, Native Hawaiian and Alaska Native communities where unemployment is much greater than the national average.

Indian communities have a set-aside under the Library Services Act which the Administration is proposing to zero out in fiscal year 1988. Arguing that public libraries are available to 96 percent of all Americans, the Administration contends that there is sufficient local and State support to continue this widespread access to libraries. In its budget report, the Administration further states that funds set aside for Indian and Native Hawaiians in 1985 and 1986 and reduced levels in 1987 "will serve as seed money to encourage library improvement for, and with the direct involvement of Indians, and Native Hawaiians." There is no data to support this statement. Absent the necessary data confirming that American Indians, Alaska Natives, and Native Hawaiians have access to public libraries or other library funds, the Committee objects to the proposal to terminate this portion of the Library Services Program.

Impact Aid (Public Law 81-874) provides basic operational support to public schools impacted by the presence of large numbers of children who live on non-taxable Federal and or Indian lands. The construction part of Impact Aid (Public Law 81-815) assists local school districts to build or repair schools attended by large numbers of impact aid students. For the most part, Indian children are part A students. The Administration is proposing to zero out funding for part B students. The Committee objects to termination of funding for part B students without having the opportunity to analyze how this would affect funding of schools with primarily Indian part "a" students.

The Committee also wishes to note its concern over new regulations being promulgated by the Department of Education for Bilingual Education Act programs. Under the new regulations, Indian Children who speak a combination of a native language and English may not be eligible participants in this program. The Committee requests clarification on the impact of these new regulations.

Chapter I funds provide compensatory services to educationally disadvantaged students at all grade levels. Funding in fiscal year 1987 was $3.951 billion; the fiscal year 1988 request is $4.144 billion. Of the 4.9 million children served in the 1984–85 school year, 2 percent or about 98,000 were American Indians; an equal number were Asian or Pacific Islanders. Noting the importance of these funds, which are used for the most part for instructional services, the Committee recommends that funding for this program be increased as requested for fiscal year 1988.

Department of Labor

Job Training Partnership Act (JTPA)

The Committee reiterates its concern that special attention be given to the pressing problems of unemployment for Native Americans. JTPA and the Summer Youth programs are designed to address the overwhelming unemployment problems within the Native American communities. Through vocational training work experience and other services, these programs aim at getting adult participants into permanent, unsubsidized jobs and at gearing young people toward careers. Cutbacks, rescissions and program mergers which negatively impact upon these vital programs will be costlier down the line and each person eliminated from these programs may easily show up as a negative statistic elsewhere in society. The Committee encourages and supports the efforts of the Department of Labor in these highly successful programs and urges continuance and budgetary enhancement for JTPA programs.

Economic Development Administration

Although it is not within the jurisdiction of this Committee, the Committee wishes to express its opposition to the Administration's proposed plan to terminate the Economic Development Administration (EDA). This proposal is identical to a proposal rejected by Congress during consideration of the President's fiscal year 1987 budget request.

The Committee believes that economic development is vital to the health, stability, and prosperity of Indian tribes. Consequently, elimination of this agency, which has been so successful in fostering jobs and businesses in Indian country, would be a travesty. There are many tribes that desperately need this type of assistance. We believe it is well within the means of the Federal Government to continue this vital program.

Department of Housing and Urban Development

INDIAN HOUSING PROGRAM

Federally assisted housing on Indian reservations and trust land areas (Alaska and Oklahoma) is provided primarily by the HUD

Indian housing program. Since the 1960's, HUD has provided assistance in the development and management of housing for Indian and Alaskan Natives pursuant to the United States Housing Act of 1937 as amended. According to the Bureau of Indian Affairs' housing inventory for fiscal year 1986, approximately 92,580 Indian families are in need of substantial housing assistance; 39,880 families need rehabilitation assistance and 52,700 families need new homes.

In the past few years the Administration has zeroed out new construction for Indian housing units. The Administration has requested 1,000 new units for fiscal year 1988. While the request is greater than zero, it is still not adequate to meet the documented need. The Committee recommends $214.5 million for 3,000 new units of Indian housing. The entire amount will be shown as 1 year's funding rather than the long-term financing which is how new construction has been financed in the past. It makes annual appropriations look more expensive for fewer units, however, it cuts long-term financing costs thus saving money for the Federal Government.

The Committee opposes the Administration's proposal to rescind the reuse authority that Congress granted last year to the HUD Indian housing program. Reuse authority permits HUD to transfer budget authority between Indian Housing Authorities for housing units that have stagnated in the construction pipeline. In the past, HUD simply returned the recaptured budget authority to the Treasury. Given the critical need for housing within Indian country, it makes no sense to return budget authority to the Treasury.

DEPARTMENT OF THE INTERIOR

(NON-BIA BUDGETS)

I. Minerals Management Service

The fiscal year 1988 estimate for Minerals Management Service is $559.2 million, a decrease of $36.2 million from 1987 appropriations.

Minerals Management Service handles the royalty and mineral revenue management functions for all Federal and Indian minerals leases including: the collection and distribution of royalty payments, rentals, bonus payments, fines, penalties, assessments and other revenues due Indian lessors as moneys or royalties-in-kind from the extraction of mineral resources.

The Department has requested a $300,000 increase for interest on late royalty payment to States and Indian accounts. Over the past several years, Minerals Management Service, working in conjunction with the Bureau of Indian Affairs, has been unable to make timely payments to individual Indian allottees for oil and gas royalties as required by the Federal Oil and Gas Royalty Management Act.

Proposed Product Valuation and NTL-F Regulations.—On January 15, 1987, Minerals Management Service published proposed regulations which would alter the means of valuing oil and coal for royalty purposes. Another proposed rule published on January 15, 1987 would retroactively lower the royalty to be paid on certain gas

produced on Federal and Indian lands. If implemented, these rules could affect payments of royalty shares to tribes. For purposes of the budget, Minerals Management Service did not assume these rules would become effective in fiscal year 1988.

II. Office of Surface Mining

Transfer from Abandoned Mine Land Fund for Personnel Costs.—The proposed budget would transfer $1.3 million from the Abandoned Mine Land Fund to cover increased 1987 pay and retirement costs in the Regulation and Technology appropriation. The Committee opposes any transfer of funds derived from Indian mining operations.

Department of Energy

I. Conservation and Renewable Energy Conservation: State and Local Assistance Program (SLAP)

The goal of the State and Local Assistance Programs is to encourage energy conservation. In the past, DOE has provided grants to States for: Weatherization Assistance Program, designed to increase the energy efficiency of residences of the low-income (particularly the handicapped and elderly); the Schools and Hospitals Grants Program which provides matching grants to non-profit institutions for energy efficient work; and Energy Policy and Conservation Grant Program and the Energy Extension Service provide grants to States and local governments to build capabilities for energy conservation and outreach.

These programs were funded at $64,615 million in fiscal year 1987 and Indian tribes applied directly to DOE for grants. In fiscal year 1988 the Department is only requesting funds to monitor Exxon and Stripper Well oil overcharge funds which will be distributed to the States while direct Federal funding for Energy Conservation Programs is phased out. If the Weatherization Assistance Program is not funded, tribes will be required of contract directly with State for funds.

II. Funding for the Council of Energy Resource Tribes

The Administration request for CERT is zero. This is a reduction of $632,000 from fiscal year 1987. Further, the Bureau of Indian Affairs has indicated that it will award only $50,000 of its fiscal year 1987 appropriation.

The Federal funding base for the Council of Energy Resource Tribes has come from three sources which are coordinated in a tri-agency agreement: The Department of Energy, the Bureau of Indian Affairs, and the Administration of Native Americans. Funds provided from the Department of Energy and the Bureau of Indian Affairs have been through Congressional appropriations earmarked for CERT. ANA funds have been secured through competitive grant applications. Funding has ranged from a high of $2,800,000 in 1982 to the current level. The BIA propose to make $372,000 of it's 1987 appropriation available directly to the tribes for technical assistance grants. In the past this has been provided to CERT which in turn provides technical assistance.

CERT is a non-profit organization of 37 member tribes who have energy resources. The organization provides technical assistance at the request of its members which will help the Tribes develop energy resources. The Committee recommends that funding continue to be made available directly to CERT.

Nuclear Waste Fund

Pursuant to the Nuclear Waste Policy Act of 1982 (NWPA), the Department of Energy is required to develop a waste management system for the disposal of spent fuel and high-level radioactive waste from commercial nuclear powerplants and high-level radioactive waste from atomic energy defense activities. During fiscal year 1986 the Department began site characterization activities for the first repository, including analysis of physical, environmental, and socio-economic characteristics. At the same time, the Department began evaluation of non site-specific waste isolation concepts associated with the second repository.

Included in the development of a waste management system is a program to provide financial assistance to affected States and Indian tribes. Under this program grants are provided on a competitive basis. In fiscal year 1986, $21,600,000 was provided to affected States and Indian tribes. Of this amount, $1,003,319 was provided to the Umatilla Tribe (Oregon), $1,727,483 to the Yakima Indian Nation (Washington), and $1,134,786 to the Nez Perce Tribe (Idaho).

[In thousands of dollars; fiscal years]

	1986	1987	1988	1989	1990
First repository grants	17,800	19,666	23,861	35,786	36,683
Second repository grants	3,800	400	0	0	0
Total	21,600	20,066	23,861	35,786	36,683

Department of Agriculture

I. Indian Land Acquisition Program

Once again, the Administration has failed to request fiscal year 1988 funding for the Indian Tribal Land Acquisition Program, (the only statutory USDA program specifically for Indians). This program was established in 1971 because Indian tribes have had difficulty obtaining land acquisition loans from commercial sources due to the trust nature of tribal lands. The appropriation has ranged from a high of $11 million to a low of $2 million in fiscal year 1987. For the past several years Congress has restored the programs through the appropriations process.

These loans, at Treasury interest rates, are used by federally recognized tribes to acquire and consolidate land within reservation boundaries. The program has been highly successful: approximately 30 tribes have assumed nearly $85 million in loans. There have been no defaults and the program has the best repayment record of any USDA loan program.

The growing agricultural crises will probably increase the need for acquisition of Indian land by tribes to prevent the loss of Indian agricultural lands mortgaged by individuals to FmHA and subject to foreclosure.

II. Agricultural Cooperative Service

The role of the Agricultural Cooperative Service is to provide information to improve effectiveness and performance of farmer cooperatives, and thereby improve farm income. Native American farmers depend upon the agency especially for technical and marketing assistance. The Administration proposes to charge user fees for all ACS programs at rates comparable to professional consulting fees in the private sector. In practice, this policy will mean that already struggling Native American farmers will be forced to pay hundreds of dollars a day for the technical and marketing assistance which the programs has provided them in the past.

The Administration has proposed a $3.7 million budget for ACS in 1988, $700,000 below the $4.4 million level established for 1987.

III. Farmers Home Administration

The Farmers Home Administration provides credit for people in rural America who are unable to get credit elsewhere at reasonable rates and terms. Native Americans depend upon the program for housing loans, emergency loans, farm real estate and production loans, Indian land acquisition loans, and business and industry loans.

For 1987, $2.7 billion was appropriated for FmHA programs. Under current legislation, $2.6 billion would be appropriated for 1988. The Administration proposes a $2.5 billion limit on FmHA spending for 1988. In fiscal year 1986, the agency made loans in the amount of $141.8 million to over 1,000 Native American borrowers.

IV. Agricultural Stabilization and Conservation Service

ASCS is responsible for a wide variety of USDA farm commodity programs including production adjustment, conservation and environmental protection, commodity prices, farm income, market stabilization, and various emergency activities. Emergency activities include distribution of available feed grains held by the Commodity Credit Corporation (CCC) which may be donated to Indian tribes for livestock feeding in emergency situations. The Administration now seeks further reduction in the target prices which allow Native American farmers and other farmers a fair return on their product.

The total outlays for ASCS programs in 1987 are estimated at $25.2 billion. For fiscal year 1988 the Administration proposes a total ACSC budget of $21 billion, a reduction of $4.2 billion.

V. Extension Services

The Extension Service provides programs in agriculture and natural resources, home economics and nutrition, 4-H and youth development and community and rural development to both Indians and non-Indians. Services are provided to Native American users of the program through contractural arrangements either with the tribe or with the nearest land grant college. Where service con-

tracts are with the tribe, the Bureau of Indian Affairs has furnished offices on some reservations to administer the programs. Where funds are given to land grant colleges to perform research used by the program, the services are operated out of the land grant college which may be 100 miles from the reservations.

In 1981 $2.5 million was made available for Extension Service activity to benefit Native American farmers. By 1987, that amount had been reduced to $605,000. For fiscal year 1988, the Administration proposes a budget of $262.6 million for all Extension Service Programs. Extension services have not informed this Committee of what portion of that proposal will be directed to Native American farmers.

VI. Rural Electrification Administration

The Rural Electrification Administration (REA) makes loans to finance electric and telephone facilities in rural areas. REA makes direct, long-term, low interest loans and also guarantees loans made in the private sector. Direct loans bear an interest rate of between 2 and 5 percent. Guaranteed loans bear the prevailing market interest rate. There are currently 1,000 cooperatives set up for distribution of electricity operating on funds acquired through direct low interest loans. Only 60 cooperatives, the ones set up for generation and transmission of power, operate on funds acquired through private sector loans guaranteed by REA.

In fiscal year 1987 total appropriation for guaranteed loans was $128.3 million; for direct loans the ceiling was set at $861 million. Under the 1988 budget proposal, REA is allowed to guarantee up to $840 million in private sector loans but appropriation for direct low interest loans is reduced to $383 million.

VII. Soil Conservation Service

The Soil Conservation Service (SCS) provides conservation assistance and rural development assistance to Native Americans in 40 States. In 1985, SCS provided services to over 2,500 Native Americans for conservation activities. Over 1,000 of these participants supplied one or more of the conservation practices. SCS also provides limited cost sharing for conservation practices under certain programs. In 1985 the estimated level of assistance provided to Native Americans under the four major programs administered by SCS came to $15.4 million.

Program outlays for fiscal year 1987 are based upon a $609.3 million. The Administration proposes a budget of $476.8 million for SCS in fiscal year 1988, a reduction of $132.7 million.

VIII. Food and Nutrition Service

The Food and Nutrition Service (FNS) donates a variety of foods to help participants maintain a healthy diet. Two primary programs are administered for the benefit of Native Americans. The Food Distribution Program on Indian reservations (FDPIR) provides information and education concerning the storage and preparation of USDA food to 88 tribal groups across the country. The Special Supplemental Food Program for Women, Infants and Children (WIC) has 33 Indian state agencies. The number of participat-

ing low-income Native Americans has increased significantly from 65,000 in 1979 to a 1986 case load of 140,000 persons.

The 1987 appropriation for total FNS expenditures was $19.18 billion. For 1988, the Administration has requested $18.51 billion for FNS. Outlays for FDPIR in 1985 amounted to $56.2 million. In the Administration's proposed budget, $52.9 million is allocated for the same program, a $3.3 million reduction from 1985 outlays.

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